THE FINANCIAL POST

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The Nation's Business

Faith as an Energizer And Not a Relaxer

Courage for the supreme test that 1943 brings, strength for every task that contributes to victory — such are our season's greetings.

For at this fourth Christmas of the war, we stand in a position of peculiar peril. We have built the machinery for victory. To a large degree, we now see how to use that machinery for victory. Our peril is that, too readily, we may consider the job done; that we may be too sure of eventual victory because defeat has been put behind us.

Blazing fires of zealous devotion in the minds and hearts of every Canadian worker in offices and factories, farms and services, will spare so many lives, save us all so much tragedy and suffering!

For the coming year Canadians need more than ever the driving force of faith in an ideal—the ideal of a better, more efficient, more just democracy; of a postwar world in which the strength of the free can and will keep shackled the forces of aggression and barbarism.

Another essential is that confidence in ultimate victory, as it mounts higher and higher, should be an energizer and not a relaxer, intensifying our efforts, forearming us against the setbacks that next year is almost certain to bring.

In such control and harnessing of our confidence will our true strength and stamina lie.

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LAST CHANCE FOR BUSINESS?

Hitler is fighting to win a war. We are fighting to win the peace. Since that is our aim, it is high time indeed that we get ready to make good the victory so bitterly won; that we make good the ideals of freedom and justice and opportunity under law which have been so dearly bought.

For Canadians two things are needed in the coming year:

That we achieve a definite, constructive, forward-looking postwar programme, and

That business be purged of practices not in the public interest with every means at hand.

As stated in an article, "U. S. Firms Tackle Postwar Planning," on page 1 of this issue: "The war has given private enterprise what may be its last chance to prove itself. If private enterprise fails when the crisis comes—and that will be after the war—it will be replaced."

Realizing this fact, outstanding American enterprises, and some Canadian, are now devoting the most serious attention to planning for the postwar world because, as they see it, "They must get business away from its too individualistic past. They must prepare to assume leadership and co-ordination of effort on major questions. They must see to it that private enterprise has a broader conception of its duties to the community."

That business should purge itself of bad business is equally important. One bad apple can spoil a barrelful. A little bad business endangers all good business.

This week the press wires carried the story of the indictment lodged in the United States against a company working on war contracts, charging conspiracy to defraud; "to present false claims in the production and sale of wire and cable used by the armed forces for combat communication purposes."

Attorney General Biddle called it "one of the most reprehensible cases of defrauding the government and endangering the lives of American soldiers and sailors."

The record of the present U. S. administration for feuding with business and pestering it with suits is not good. Only the courts will reveal whether the firm is in any way culpable. The company management says that as soon as the alleged deviation from standard was brought to its attention, every effort was made to correct it and "employees at fault were dismissed."

But any firm proved guilty of the sort of thing alleged against this firm offends against all business, against society and against the way of life whose preservation is now being fought for.

In the past, business too often has tended to be tolerant of the sins and sinners in its midst. That point of view wasn't good enough for 1942. Next year and the next it is simply suicidal.

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MORE BUSINESSMEN FOR POLITICS

Almost every Canadian community has its group which complains loudly and bitterly about the quality of municipal government it is getting; about the quality of the men active in municipal affairs. Usually this is the group that does least about using its powers and opportunities to correct the situation of which it complains.

On page five we reprint an article by J. V. McAree, columnist of the Globe and Mail, Toronto, in which he emphasizes Canada's need for a revival of the old tradition that service in municipal politics is the training ground for public service in the wider provincial or federal fields.

He devotes particular attention to exploding the theory, which has recently had some very vocal adherents, that men in municipal politics should not in any way be linked with a political party. Says McAree:

> "It is one thing to say that issues which divide Canadians nationally should not be permitted to enter into the election of a reeve or alderman, and quite another to say that political parties should be banned from municipal elections."

He points out that it was energetic application to municipal affairs that gave the C.C.F. political strength in B. C. and the same is true in many other areas.

> "Where are the reserves (of the Conservative party) coming from, the younger men who in 15 or 20 years will be its leaders in Ottawa? They ought to be getting experience on county councils, as village reeves, as city mayors and winning general respect because of their disinterested labors. The Conservative party is not to be re-created by one man at the top."

And as for candidates in municipal affairs having affiliations with political parties, McAree says: "To say that a township reeve is a Conservative ought to be no more a reproach than to say he is a Methodist . . . . To say that a man is a Liberal politician ought to suggest no more discredit than to say that he is a Baptist deacon."

Canada is suffering seriously because of the decline in the intensity of political conviction. Democracy works well only when political parties are sharply competing for power. And the party system works well only when the parties comprise large numbers of zealous citizens. Parties are dangerous and obnoxious when they are made up mainly of "the boys in the back room."

Indifference about public affairs is a luxury Canada can no longer afford. With government impinging on almost every phase of our business and private lives, more of government business is your business than ever before.

The businessman who says he is not too busy to participate in public affairs, who does not hold municipal or public affairs beneath his dignity, who is able to take the maulings public life is sure to bring him, is not only a realist who properly appraises a major need of his time. He is a citizen who deserves the support and approbation of his fellows.

More businessmen should follow such examples. For in a democracy, the greater the capacity for service, the greater the duty to serve.

Enlistments Highest in Maritimes

Report 30.8% of Canadian Males of Military Age Now Enlisted

By **KENNETH R. WILSON**

OTTAWA.—In three years and two months of war, enlistments in the three armed services of Canada have totalled 618,318 according to a special and hitherto unpublished compilation prepared by the Department of National Defense.

In addition, there had been enrolled as draftees under N. R. M. A. 65,017 persons making a total "intake" of 681,615. This represents 30.8% of the male population of Canada between the ages of 19 and 45.

Total enrolments under N.R.M.A. according to this compilation were 94,149 up to Oct. 31. Of this total 29,132 or 31% subsequently enlisted.

The most recent figures of present strength in the three armed services as compared with the number of men enlisted or drafted into the services is as follows. Column at the left shows enlistments; at the right the present strength:

Navy	46,374	50,000
Air Force	158,342	140,000
Army	476,899	390,000
Total	681,615	580,000

Comparisons of enlistments in the three services by districts shows striking variations in comparison with the reported male population of military age. The national average is 27.9% with military district No. 6 (Nova Scotia and Prince Edward Island) showing a high mark of 37.9%. The two Quebec districts (numbers 4 and 5) show voluntary enlistment of only 15.9 and 9.6% respectively.

These percentages are raised when the total "intake" including draftees is used as a basis of comparison. The national average is 30.8% with Nova Scotia and P. E. I. in top place with 41.5% and New Brunswick (district No. 7) second with 39%. The two Quebec districts (4 and 5) show percentages of 19.3% (number 4) and 12.3% respectively.

New Lieutenants for General Motors

Internal shuffle in one of Canada's most important war producers last week brought William A. Wecker, right, to the post of vice-president and general manager of General Motors of Canada. Succeeding him as president and general manager of the affiliated McKinnon Industries is Thomas Cook, left, formerly factory manager of the McKinnon unit. Wecker started his industrial career in World War I, assuming direction of the munitions department of Hayes Wheel Co. Under him, McKinnon Industries' entire production has been devoted to war. Employment at the St. Catharines plant has more than doubled since start of war, rate of output has been multiplied many times. Rolling out in huge volume are shell fuses, gunfire control instruments and other technical equipment. Between Wecker and Cook is shown Engineer Rear Admiral E. J. O'Brien Croker of the British Admiralty Technical Mission.

Butter Tests Ration Plan

Number of Producers Makes Black Market Big Threat

By **STAFF WRITER**

OTTAWA. — Rationing of butter brings the authorities face to face with the first real test of the food control machinery set up by the Wartime Prices and Trade Board. Efforts so far have largely affected imported products — tea, coffee, sugar—where at most a score or so of supply sources had to be policed.

Butter, on the other hand, is a domestic commodity with literally thousands of actual producers and almost as many potential producers as there are farmers. Moreover th[illegible] scattered right across the D[illegible] and the bulk of them live w[illegible] driving distance of our i[illegible]es. Under such conditi[illegible] markets and bootlegging p[illegible] a real threat. The authorities probably had this threat in mind when they decided to make the initial butter ration a most liberal one.

Honor System

The situation confronting W.P.T.B. officials has no parallel. Even in widely rationed Great Britain, actual butter producers, represent only a fraction of the total population.

Adequate policing of producers being considered out of the question, the authorities, it is understood, will largely rely on the honor system. They will trust the farm housewife to keep her family's consumption within the official ration limit and the city housewife to buy only through the regular trade and to release any hoarded stock on hand at present. If the results of this policy are satisfactory, the way will be paved for further food rationing when and if necessary.

Though Ottawa remains officially silent, there are rumors that a surprise move may be impending to relieve the tight supply situation. This might be the shelving of the present duty on imports, or the removal of the ban on oleomargarine or both. Due to the scarcity of shipping and raw materials for oleo, however, such a move is regarded more as in the nature of a threat to butter producers to get busy rather than a practical solution.

In normal times the small amount of butter that Canada did import usually came in refrigerator ships from far away New Zealand or Australia, and traffic between those Dominions and Canada is certainly not very heavy today. Moreover those two big dairy producers now have the job of feeding hundreds of thousands of American soldiers and sailors as well as their own populations.

As for oleo, the great bulk of the raw materials normally come from the islands of the far Pacific, now largely in the hands of the Japanese. Normally, the main raw material is tropical vegetable oil, such as coconut oil, but oleo could be made from almost any vegetable or animal fat, were these not already in short supply and essential to explosives production.

The Milk Muddle

Behind the butter ration order lies a story of "too little and too late." Because corrective steps were not taken soon enough to check the flow of raw milk into cheese and because of the steady deterioration of manpower on Canadian farms it is possible that Canadian housewives will face a considerable cut in their present butter ration in 1943.

The fact that the ration plan was introduced in face of vehement and repeated denials, also jeopardizes the W.P.T.B. position in regard to other commodities. The public may be expected to be highly sceptical in future of the pronouncements of board officials. The spread of coupon rationing to other types of merchandise may therefore be hastened.

Permit U. S. Tax Credit On 'Export' Advertising

By **ROBERT T. ELSON**

WASHINGTON.—U. S. Treasury policy permits business firms to maintain advertising in export markets even though they cannot deliver products for sale there due to wartime conditions.

Test of whether such advertising is deductible from federal taxes is whether it is reasonable, in proportion to previous advertising done in the export market, and in proportion to the business previously done there.

This ruling conforms to earlier rulings by the American Treasury that advertising in wartime is a justifiable business expense for which tax credits can be allowed, provided such advertising is in proportion to that done prior to the outbreak of war.

Rockefeller Raises Point

The question of American advertising in export markets was first raised by Nelson Rockefeller, Coordinator of Latin-American relations. On July 17, he addressed a letter to John L. Sullivan, assistant secretary of the Treasury, saying that he was urging heads of 400 leading American business concerns to maintain their radio and newspaper advertising in South America.

Such advertising was necessary to protect American goodwill in the Latin American market, where much ill will might result from the dropping of U. S. advertising, Rockefeller pointed out. He also said that it was necessary to protect consumer preferences for American trademarked goods.

Sullivan answered that the Treasury policy respecting wartime advertising also applied to the export market. The Sullivan ruling applied not only Latin American, but to all export markets.

Progressive Conservative Platform: War Policy

Liberals Adopt Clause One

War Plank Still Has Plenty of Room for Argument

By **ROBERT C. STARK**

This is the first article of a series dealing with the seven planks of the Progressive Conservative platform. These articles will discuss the individual clauses that make up each plank. They are presented to show differing Conservative and Liberal philosophies, and to give a clear impression of a document whose economic importance may be as great as its political significance.

Four days after the Progressive Conservative party wound up its Winnipeg convention and presented to Canadians a seven-plank, 70-clause platform, the Liberal administration chopped the first splinter from that platform by granting an increased rate of pay to Canadian soldiers and the cost-of-living bonus to dependents of members of the armed forces.

There is no reason to believe that the cost-of-living bonus grant was made in reply to the Conservative platform; it came after many months of prodding from many quarters throughout Canada. However, it does demonstrate that what the Conservatives propose only the Liberals can put into effect, that many of the planks adopted at Winnipeg may be readily absorbed into a fluid Liberal policy.

Regardless of that possibility, the Progressive Conservative platform contains ideas capable of touching off red-hot political arguments; it serves to bring into sharper focus the picture of Canada's government today.

First plank of the Progressive Conservative platform is that concerning war policy. The first two clauses proclaim loyalty to the King and belief that the Dominion's future as a free nation can best be ensured as a member of the British Commonwealth. Succeeding points are more contentious.

● **We pledge to the men and women in the services at home, abroad and at sea, support to the limit of our resources, to the end that they shall be adequately supplied with reinforcements, equipment and munitions of war in order that they can and shall be so employed in relation to our fighting Allies that Canada shall make her due and honorable contribution to a common and complete victory.**

The effect of this clause is to question whether Canadian manpower policy is on a basis to allow provision of adequate reinforcements in case of heavy casualties. Hon. J. L. Ralston, on Oct. 20 last, returning from a visit to the Canadian Army in Britain, reported that he found the two brigades of the second division from which units were drawn for the attack on Dieppe, both right up to strength or practically so after their Dieppe losses in August. There are those who contend that "practically" up to strength two months after the battle is not good enough.

So far as adequate supplies of material are concerned the administration can point to the fact that Canada is producing a considerable surplus of arms over and above the needs of our own forces, and that it was this productivity which won our recent place on the Combined Production and Resources Board with the United Kingdom and United States. Canada is retaining only 30% of its own armament production; 50% is going to Britain or Russia and 20% is going to the Pacific area on behalf of the U. S.

● **We favor the formation of an Empire War Council in which Canada and the other Dominions shall be represented.**

This revives a recurrent controversy of which not much has been heard in the last few months. The

(Continued on page 5, col. 1)

U. S. Firms Tackle Postwar Planning

Business Leaders Organize Research to Build Future on a Strong Foundation of Free Enterprise and the Technology it Has Built Up

The following article is based upon a series of interviews in New York with seven leading U. S. industrialists whose companies' industrial production is greater than the total production of all industry, farms and fisheries in Canada.

By **Horace T. Hunter**
President, The MacLean Publishing Company, Ltd.

The war has given private enterprise what may be its last chance to prove itself.

If private enterprise fails when the crisis comes—and that will be after the war—it will be replaced.

Replaced by what? Nobody knows. Bureaucracy, governmental control and ownership, confusion and chaos seem likely answers.

Realization that this crisis lies ahead is driving the leading businesses of the United States into a brand new field of economics—postwar planning.

So important do these corporations regard the field of postwar planning that some of them are assigning vice-presidents and other officials to research on this task as a full-time job.

Stupendous Problem

The researchers are faced with stupendous problems. They must get business away from its too-individualistic past. They must prepare to assume leadership and co-ordination of effort on major questions. They must see to it that private enterprise has a broader conception of its duties to the community.

They know that they cannot dream of returning to the 30 or 40% production which pertained in the 1930s. To do so would mean the destruction of private enterprise and whatever political party is in power.

They will be faced with a postwar demand for full-time production. They will have millions of young men and women trained along industrial lines, who must be put to work.

Their postwar production itself will be full of problems. For one thing, there will be many new products to make. Old dies and tools will not be of much use. There will be new materials to handle, new colors and new outlets. The very distribution of the postwar goods will be a problem, because distribution, a powerful cog in our general economic machine, is being disrupted more and more by the necessities of war and shortage of shipping facilities.

The Postwar Car

Industrially, the automotive business has long been America's business leader. What is its view of the postwar picture?

Here is the answer given recently by a high executive of one of the world's largest automotive corporations:

"We have a planning group which is attempting to deal with postwar problems in an extensive way. It operates on a decentralized basis and the various problems are passed on to keymen in our various branches to work out.

"We feel that all classes of the community have lost out by having the government generally unfriendly to industry. There is no reason for this, and all classes of the community would benefit by the reverse. We are working toward achieving this."

Although the world is waiting for a revolutionary "postwar car," this

(Continued on page 2, col. 7)

D. I. L. Refunds Unexpected Profit

From Our Own Correspondent

MONTREAL.—Defence Industries Ltd., wholly owned subsidiary of Canadian Industries Ltd., has refunded £80,000 to the British Government on account of certain efficiencies and unforeseen favorable cost factors in connection with work done under contract.

Word as to the company's action comes from the British Committee of Public Accounts, which is also authority for the fact that the company had followed a similar policy for the Canadian Government.

It is understood that the refunds mentioned were in connection with work done two years ago.

Can Liquor Firms Donate Patriotic Advertising?

By **STAFF WRITER**

OTTAWA.—There is every expectation that spirits, wine and beer manufacturers will be permitted to continue "sponsored" advertising to Victory Loan campaigns and other patriotic campaigns, but there is open controversy as to the probable extent and terms of such a settlement. The Prime Minister announced a ban on direct or product advertising last week.

The point raised is what expenditures will be permitted by officials if "contributed" advertising by liquor firms is allowed. At present there is no limitation on the amount of such advertising which a firm may donate to aid the sale of Victory Bonds or other wartime projects. There are certain income tax regulations which limit the amount a firm may spend on advertising as compared with normal or prewar expenditures.

There are also certain special concessions given by income tax authorities at the time of Victory Loan campaigns to encourage the amount of sponsored advertising donated for the purpose of boosting bond sales.

But if a manufacturer or distributor of alcoholic beverages who, after Feb. 1, 1943, is prohibited from spending any money on direct advertising, were to turn his entire appropriation to the sale of war savings certificates or some other patriotic purpose and use the firm name only as a sponsor of such appeals, what would Ottawa rule? Would such a policy be permitted? If it were, the entire Fourth Victory Loan advertising next summer, for example, might quite easily be underwritten by the alcoholic beverage industry. If not, what steps would be taken to curtail or limit such expenditures?

Right now these are questions which must await official rulings either from the Cabinet itself or from Hon. Colin Gibson, Minister of National Revenue. Mr. Gibson is charged with administration of the new wartime alcoholic beverages order.

Arthur W. Merriam of the Department of National Revenue will be in charge of administrative rulings in respect of the advertising clauses of the order. Rulings on a number of contentious points regarding highway and tavern signs, trucks, trade names, etc., will be issued as promptly as possible, officials state.

One ruling already cleared is that publications bearing a later than Feb. 1 date of issue may carry liquor advertising so long as they are in hands of common carriers prior to Feb. 1.

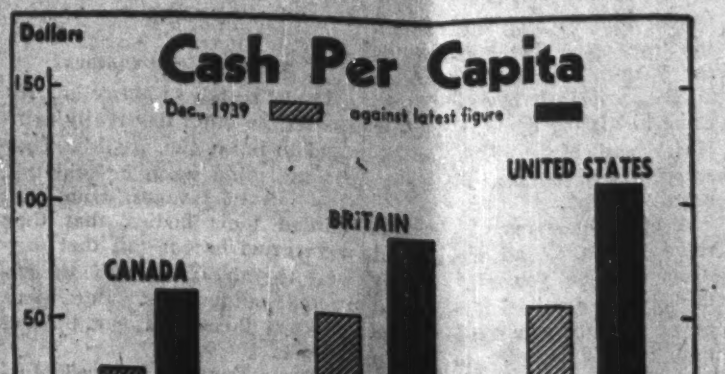

Chart by The Financial Post

Latest figures show the amount of cash in circulation per capita in Canada has increased 128% since 1939, compared with increases of 61% in Britain and 91% in the United States. In spite of this "inflation," Canadian cash is still well below that of the other two nations.

FINE APPAREL FOR MEN

MEN'S SHOP

No Restrictions on Quality!

There is no rationing on quality and distinction — at least, not at the Men's Shop. Here you can still find the very best in men's apparel. And if you have been promising yourself an overcoat that will "go further" — a coat with a distinctive air of rugged individualism — then a Men's Shop overcoat is your logical choice. Here you will find hard-wearing Cheviots, smooth, warm Meltons, comfortable "Burberrys" — and many more besides. These days, when quality counts for so much, we suggest you try the Men's Shop.

Overcoats from $35.00 to $90.00.

The Men's Shop

CIVIL AND MILITARY OUTFITTERS

Free Parking While Shopping

EATON'S - COLLEGE STREET

Butter Buyers Befuddle Milkmen

Add occupational hazards—being driven crazy by housewives. During the past few weeks when butter has been so hard to get many housewives have left a note in their daily milk bottle asking the milkman to leave some butter. When they found him unable to supply them they have taken it upon themselves to argue the situation with him, some of them indicating considerable suspicion that he was hoarding butter for his own misbegotten purposes.

Fifty to 100 arguments a day on the same subject can prove a little wearing even to the sturdy milkman whose early morning patrols tend to make him a little more philosophical concerning the foibles of human nature than the ordinary breed of man. So wearing became the pressure that at least three Toronto milkmen are reported to have slipped into first-class nervous breakdowns.

One is said to have run down the street, tearing at his clothes and screaming "Butter!" Another astounded his wife by starting a violent argument with her apparently under the impression that she had something to do with the butter supply.

Investment Notes

Sherwin-Williams Co. of Canada prospects for the current year are encouraging, according to the president, D. A. Whittaker, at the annual meeting. During the first quarter of the current fiscal year—September to November—sales were slightly ahead of the like period last year, the president reported. Considering scarcities of materials and government controls, Mr. Whittaker added, he was reasonably satisfied the company will be able to maintain sales and hold operating expenses down at a reasonable level.

* * *

Famous Players Canadian Corp. has made an offer to Mansfield Theatre Co. to purchase its assets for $535,000. Mansfield holders are meeting Dec. 29 in Montreal to consider this.

Of the amount involved $122,500 would be in cash and the balance of $412,500 in 4% 15-year first mortgage bonds of a new Mansfield Theatre Co. Preferred holders would receive $112,500 or $15 per share in cash and would be allotted $55 in bonds for each share held. Common shareholders would get $10,000 or $1 per share. Bonds would have an annual sinking fund of $15,000 and would be guaranteed by Famous Players.

10% Paper Cut For Magazines?

Special Correspondence

WASHINGTON.—A 10% reduction in amount of print paper to be used by each magazine publisher in 1943 as compared with 1942 was recommended to the War Production Board by the Magazine Industry Advisory Committee at a meeting with the W. P. B. Print and Publishing Division here this week. This recommendation serves only as a guide to policy which must eventually be determined by W. P. B. itself.

The War and Business . . .

Conscience Coupons

When the government instituted rationing of sugar, tea and coffee and asked the people of Canada to turn in the coupons for stocks above the level established, the cynics probably said: "So what!" The cynics were wrong. Those guilty of hoarding before the rationing went into effect and even those who deliberately hoarded, felt rather ashamed of themselves for "an amazingly large number of coupons" were turned in to cover the excess stocks.

Officials believe that they will have the same reaction from the public which went on a panic buying spree forcing the rationing of butter this week.

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No Transfer Gas Rationing

Transfer of gasoline rationing from the Department of Munitions and Supply to the Wartime Prices and Trade Board is not an immediate prospect The Financial Post is informed. There has been some talk of such a step, as gasoline represents a "consumer" product, like tea, coffee or sugar. The gasoline supply, however, is closely tied up with the rubber supply and no serious consideration is being given to changing the present set-up.

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Britain's Flour

Canada supplied 85% of the wheat and 99% of the flour imported by Britain last year, Watson H. Porter, of The Farmer's Advocate was told on his recent trip to Great Britain. He also learned that the national flour Britain is using in wartime is an 85% extraction. In other words it utilizes almost all of the wheat-germ, bran, shorts, etc., and naturally is quite dark.

Bakers, however, are allowed to mix imported white flour with the national flour in making their bread. Practically all this white flour comes from Canada. Because they want the Canadian for blending purposes, Mr. Porter was told that the British importers are more anxious than ever to secure the whitest flour possible from this country.

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See Cork Relief

Some easing of the serious cork situation in the North American continent is expected as a result of the successful operations in North Africa. There are over a million acres of cork in the area recently taken over by the United Nations. Ever since the beginning of the war the cork situation has been in great danger, as practically all supplies, outside a little grown in the Southern United States, come from around the shores of the Western Mediterranean, mostly in North Africa, Portugal and Spain. Most of this area has been dominated by the Axis powers, until recently.

Thousands of tons of cork are said to be stored in warehouses in North Africa, awaiting baling and ships. There is no definite word on how soon supplies can be released but optimists recall the fact that within 48 hours of the British occupation of Madagascar, shipments of strategic mineral ores were on their way to the United Nations.

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Dehydrated Bricks

Dehydrated vegetables are being compressed into "bricks" and then wrapped with various packaging materials which would replace critical metals, especially tin, in the search for a satisfactory process for packaging dried foods which is under way at the New York Experiment Station at Geneva.

Dried vegetables, including carrots, beets, cabbage, sauerkraut, and other products, are subjected to tremendous pressure to reduce the materials to small "bricks" practically free from air. Then by covering these "bricks" with various moistureproof materials, the contents of the package are protected against deterioration in color, flavor, and nutritive value. Tests are made at frequent intervals on the microbiological and moisture content of the "bricks," as well as the vitamin content, particularly the vitamin A content of the dehydrated carrots, for example, and the vitamin C content of dried cabbage.

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70 Million Cans

Canadian can makers are now allowed to make only one type of 20 oz. can where there used to be two, the type that the trade knows as the No. 2 tall can being eliminated by Ottawa order. Trouble is that there is enough tin plate already cut for over 70 millions of the barred can. Ottawa is anxious that this be used up in 1943 so that there will be no waste but there doesn't seem to be enough canneries to handle this size with present equipment. It's suggested that the tall cans might be used for tomato juice but that would take only some 30 to 35 million of them.

OPA Shakeup Affects Canada

See More Pressure on W.P.T.B. Ceilings Inevitable

Special Correspondence

WASHINGTON.—Canada's Wartime Prices and Trade Board will have to take further steps to buttress Canadian price ceilings against advancing prices in the United States.

A general increase in the U. S. price level and particularly in foods appears virtually certain as a result of the first major shakeup in the American economic high command as represented by resignation of Price Administrator Leon Henderson.

He never quite succeeded in being to the United States what Donald Gordon is to Canada. Why? One of this country's leading columnists, Walter Lippman, says that a "mild crisis of confidence" on the home front claimed the colorful new dealer as its first victim.

Lippman's phrase "a mild crisis" is by no means a contradiction because the Administration has not and has no intention of surrendering to the inflationary forces that now appear to be on the offensive.

Retreat, Not Rout

Rather this is a temporary retreat, pending a realignment of defenses and a rebuilding of political fences to protect headquarters as well as the front line.

Unlike a retreat on the military front, however, economic ground cannot be reclaimed until forces of a free economy once more come into play. The already heavy pressure of American prices on the Canadian ceilings will be intensified, not modified as Gordon hoped when Henderson first established overall control on the American price level.

Henderson's resignation does not solve the problem which is paramount—to gain public acceptance in the United States for the necessary measures to close the "inflationary gap" and relieve the almost irresistible pressure for higher prices created by abnormally high purchasing power and severely curtailed civilian supply.

This involves treasury policy, taxation on consumers more nearly approaching Canadian levels, enforced savings and a programme for subsidies to ease pressure on ceilings.

There will be revision of the rationing system to simplify it and moderate some of the complicated regulations that irked a mercurial people who have not taken kindly to wartime restrictions. But whoever follows Henderson—and best bet at this writing is Senator Prentiss Brown of Michigan who piloted the price control law through congress—will have to increase rationing of essential commodities to guarantee equitable distribution.

Bright spot is that by delivering Mr. Henderson's scalp to his critics, the Administration does strengthen its political position with the incoming congress.

This last is most important because the anti-inflationary programme of the Administration could not be permitted to become a political issue dividing White House and Congress.

And with Henderson, there was no middle ground. Most congressmen viewed him as the arch-enemy. A very few recognized his undoubted ability and in the administration he had many friends; no firmer one than the man in the White House.

The reaction to his departure is in itself significant of the confusion still existing.

The commodity and security markets advanced, although it was the so-called conservative elements who were foremost in urging that the United States follow Canada's example and freeze prices and wages. Hon. Ralph O. Brewster, a Republican senator from rock-ribbed Maine where New Dealers are regarded as heretics to be abjured and foresworn, declared Henderson's critics would be "praying for his return." The International Latex Co., one of the biggest concerns in the United States, published full page ads commending Henderson's work.

But to his critics, Henderson remained an unregenerate New Dealer, an enemy of the farmer and a bureaucrat bent on snarling the war effort in miles of red tape.

Carmichael Reviews 1942 War Production

The "Three M's"—materials, machines, manpower—are the vital elements of production and a shortage in any one of these fields can affect output as a whole. So states H. J. Carmichael, co-ordinator of production, in a review of Canada's efforts on the industrial front in 1942. Excerpts from this follow.

Of all the hundreds of Canadian industrial plants now making munitions and supplies of war, only two were turning out exactly the same products three years ago.

* * *

Canada has literally beaten her plowshares into machine guns. Early in 1943 our wartime industrial capacity will reach its peak objective, a rated annual output of $3.7 billions worth of war supplies.

* * *

The war has created many new problems for the Canadian people, intensified many old ones . . . Essentially they are complex and interrelated, but they can be grouped roughly under three main headings . . . materials, machines and manpower. Canada has suffered shortages in all three. Yet Canadian wartime industry is facing up to them with vision and ingenuity. Our production goes on advancing swiftly and steadily to its peak.

* * *

Vital raw materials . . . must be diverted from non-essential uses, conserved for essential war production. This programme of conservation must apply to the whole industrial structure from top to bottom . . . National and interallied controls however effective, must be supplemented . . . Industry must understand the necessity of conserving its allocated material.

* * *

The men who make munitions are those best qualified to know how they can be made most economically . . . A million pounds of special alloy steel forgings have been saved on annual production of the Bren by machining the gun body from a 30-pound bar of steel instead of from the larger 40-pound bar the original specifications demanded. In mass production, small economies are big economies . . . Scores of material savings from redesign might be instanced. The greatest obstacle overcome was the tendency to regard army and navy specifications as sacred and inviolable . . . The traditional rigidity of service viewpoint in this respect no longer holds good. In this war officialdom is willing to be shown.

* * *

Raw material conservation (is) a field where great ingenuity is being shown under pressure and where science is striding 10 years ahead of its time . . . Molded plywood replaces metal in a long list of products, even to aircraft gas tanks. Domestic pulpwood shreds replace imported cotton linters in nitrocellulose production. Cotton substitutes for manila hemp in the making of rope. Resinous preparations replace rubber in waterproof clothing equipment. Plastics replace metals in hundreds of parts and small products — substituting, for instance, for brass in badges and uniform buttons.

* * *

Efficient use of raw materials constitutes one step in the conservation programme. Efficient use of manufacturing capacity is another . . . If we are to reach our production objectives we must do so against the handicap of inadequate machine facilities.

* * *

This is a people's war. Any exploitation of labor, even for the sake of getting more weapons and supplies to save the nation from catastrophe, would do irreparable damage to national morale and would certainly react against the whole production programme. The whole Canadian industrial organization is simply [illegible] agency through which the people are producing their own weapo[illegible]

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Adelphi

LONDON.—This is the pantomime season. Legitimate productions are being bustled out of one theatre after another to make room for "Robinson Crusoe," "Little Red Riding Hood," "Jack the Giant Killer," and "Jack and Jill." These pantomimes never change. There is always the "dame" played by a vociferous comedian, the principal girl (ultra feminine in skirts), the principal boy (ultra feminine in tights), and the evil witch whose machinations are foiled by the benevolent and lovely fairy. The pantomime season runs for about 10 weeks, causing an immense upset in the theatre, but one could as easily imagine London without its lord mayor as Britain without its Christmas pantomime.

The only trouble is that the influence of pantomime seems to have spread to the political field. For the life of me I cannot shake off the feeling that Hitler is the demon king coming up through the trap door, that Mussolini is the Widow Twankey, that Eden is the principal boy and that Churchill is the dame. Certainly Hitler and Mussolini grow increasingly fantastic as their shadows lengthen.

A cynic once remarked: "Deceive others by all means but never deceive yourself." Hitler has always deceived himself but never so much as when he wrote that incredible letter to Petain when the Germans decided recently to occupy the whole of France. They were not crocodile tears that Hitler shed, they were real. With gentleness and sorrow he told the marshal how he had longed for peace, how he had only desired to serve his neighbors and live with them in brotherly love. But everywhere Germany went on her mission there he found Britain and America, urged on by the Jews, determined to have war. It is true that he, Hitler, had bombarded open Spanish cities in the civil war, invaded and occupied Czecho-Slovakia, raided and occupied Austria, conquered and murdered Poland — but could it not be seen that all this was merely an expression of love by Germany for her neighbors?

Shakespeare invented Malvolio. Dickens created Pecksniff. But neither of them could have begot Hitler. He belongs heart and soul to pantomime.

* * *

Mussolini and Clothes

Let us be fair to Mussolini. His speech the other day really managed to insult the English. They did not mind when he said that they were savages who still painted their bodies, that they were cruel barbarians, that they were tyrants. Those were the expected outpourings. But there was one thrust that got by and it hurt.

"These English," sneered Mussolini, "drinking tea at 5 o'clock in their dinner jackets." That is an accusation which no Englishman will take from any man, much less a Wop. Never under any circumstances would an Englishman wear a dinner jacket at 5 o'clock in the afternoon. Besides, one drinks coffee in a dinner jacket, not tea. I don't want to exaggerate the incident but Mussolini had better be careful. There's nothing so terrible as the anger of an Englishman accused of wearing the wrong clothes.

Evening dress is a sore subject with Mussolini. At the reception at the Polazzio Venetia for Chamberlain, Il Duce decided to wear a white tie and tails out of respect to his guest. It was a dreadful sight, a sight I still recall with horror. His collar was a quarter of an inch high but nearly two feet round. The jacket fitted nowhere. He must have inherited the waistcoat. Even Chamberlain and Halifax, who always made Saville Row blush, looked like fashion plates beside him.

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Canadian Broadcasting Corp. To Pay For News Service

By STAFF WRITER

OTTAWA.—A new deal, whereby Canadian Press and British United Press will be paid for the news services they furnish to the Canadian Broadcasting Corporation, is being worked out here. The plan will be effective April 1, 1943.

Negotiations with Canadian Press have been completed. The amount C. P. will receive is approximately $40,000 annually. A similar arrangement is being made with B. U. P. Since Jan. 1, 1941, when the C.B.C. established its own news editing organization, it has been given news services free of charge.

Prior to Jan. 1, 1941, an arrangement was in force whereby Canadian Press supplied daily news bulletins to the corporation. These bulletins were used by C.B.C. announcers with credit to the C. P. No charge was made for the news, as such, but the C.B.C. paid C. P. for out-of-pocket expenses at the rate of approximately $20,000 a year.

Radio Forum on Politics Said Under Consideration

OTTAWA.—A new approach to political broadcasting as a result of the Meighen attack on the C.B.C. at Winnipeg is under consideration here.

Although no decision can be made until the matter has been thrashed out by the C.B.C. Governors, the view taken in Ottawa is that the rules laid down originally in July, 1939, regarding "controversial broadcasting" were not intended for "public" meetings such as the Conservative convention.

What may emerge from the forthcoming discussions is a type of political radio forum somewhat along the lines of the farm and worker forums.

This would give the chief political parties the opportunity to carry on a regular discussion on the air.

HOLD HIGH THE TORCH OF FREEDOM

Co-operating Now As Always With All Canadian Industries

Credit needs of industry today differ from the needs of peace-time. Industry's war efforts are financed largely by our Government, but the Bank co-operates in two important ways: First, by commercial loans made directly to industries to speed up war production, thus supplementing Government aid. Second, commercial loans made to help industries carry on their everyday non-war activities.

You who are engaged in producing supplies of any kind are urged to confer with the Bank of Montreal regarding your credit requirements.

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A19

U. S. Industry Tackles Planning For Postwar

(Continued from page 1)

corporation will have nothing designed and ready for production the moment peace comes.

"Our technicians," says the head of the company, "have a full time job now, and it will take two years to work out a new model after the war."

Research done so far indicates that the postwar car will use 100 octane aviation gasoline, now being produced in great quantity. This would offer great possibilities in economy, for engines would increase 30 to 35% in efficiency. Present engines, of course, could not stand 100 octane gasoline.

The postwar engine, according to one automotive industrialist, will be lighter and on a redesigned and lighter chassis. We will have 10 to 20 times the amount of aluminum and 30 to 35 times the present amount of magnesium available for general use.

When the postwar car does come out, the volume of its production will be determined by the public's purchasing power. When the purchasing power is up to $80 billions, the automotive industry can tell exactly how many cars can be sold. It has had no experience in estimating buying power in excess of $80 billions, but one company's postwar research department indicates that if buying power is maintained at $100-$110 billions, there would be an increase of 35 to 40% in car production.

Diesel Railroads

Indications are that more and more the automotive industry will be supplying power plants for the railroads. According to one executive, the steam locomotive is doomed as uneconomical and its place will be taken by the Diesel engine. A Diesel switching engine, he says, will pay for itself in five years in the saving made as against steam.

If railways were converted entirely to Diesel engines, this executive says, there would be a tremendous saving in costs. Gone would be the separate service departments for Diesel and steam engines. Timetables would be slashed by hours.

In the postwar era, says one executive, travel by air will increase heavily and railway Pullman traffic will suffer. Express will go increasingly by air, but freight will not be affected greatly, because it will be more economical to move it by rail. Transport planes, he declares, will have up to 5,000 h.p. capacity as against about 1,200 h.p. in 1939, and they will fly in thousands as compared with the prewar hundreds.

For the civilian flier, price will not be a general obstacle to the increased use of airplanes. Safety is the main problem to be overcome.

Ocean Travel

Of ocean transport, one executive has this to say: "Ocean transport as we knew it before the war is a thing of the past. Airplanes will supplant it. Freight, of course, will still go by ships, but they will be a different type, more moderate in size and cheaper to operate."

The railways of the United States, which are hit very hard when times turn hard, are also working on the postwar problem. One major line has a Postwar Research Council headed up by a vice-president. The council is broken into sub-committees, each headed by a man specially qualified to deal with his committee's subject. Right now the passenger service committee is designing a postwar pattern of the highest type of service at the lowest cost; the freight service committee is going into the question of truck co-ordination, and others are laying solid foundations for personnel, airways, merchandise, mail and express problems.

Food Production

Although there will always be a market for food, a leading United States food-processing company is busy on postwar research. It has set up a research department which at the present time is studying a total of 89 projects which may lead to new postwar products. It is going deeply into the question of dehydration, in which there has been a big wartime development. The company did not consider dehydration had proven itself for postwar conditions, although its experts had an open mind and were still working on the development.

Postwar Picture

According to the head of a large internationally known manufacturing company, the postwar period will see a different attitude toward business adopted by the people in power in the United States government. He is optimistic on the postwar future, more optimistic than he has been for ten years.

He believes employers are becoming more enlightened and there is a greater chance of employees and employers coming together to work out solutions to the tremendous problems which will present themselves.

"But," he warns, "there is much educational work to be done. Let me show you what I mean:

"After I was married, I lived in a duplex. I was getting $2,700 a year and the man in the other part of the duplex was getting $6,000, and he had a car. I recall thinking at the time that if I were in the position that that man was in there would be nothing more I would want. I found myself enunciating the principle, which is in the minds of many people today — 'anyone who gets double what you are getting is simply getting too damned much.'

"This principle is very unsound, of course. But it is very prevalent. Education must break it down."

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MONTREAL

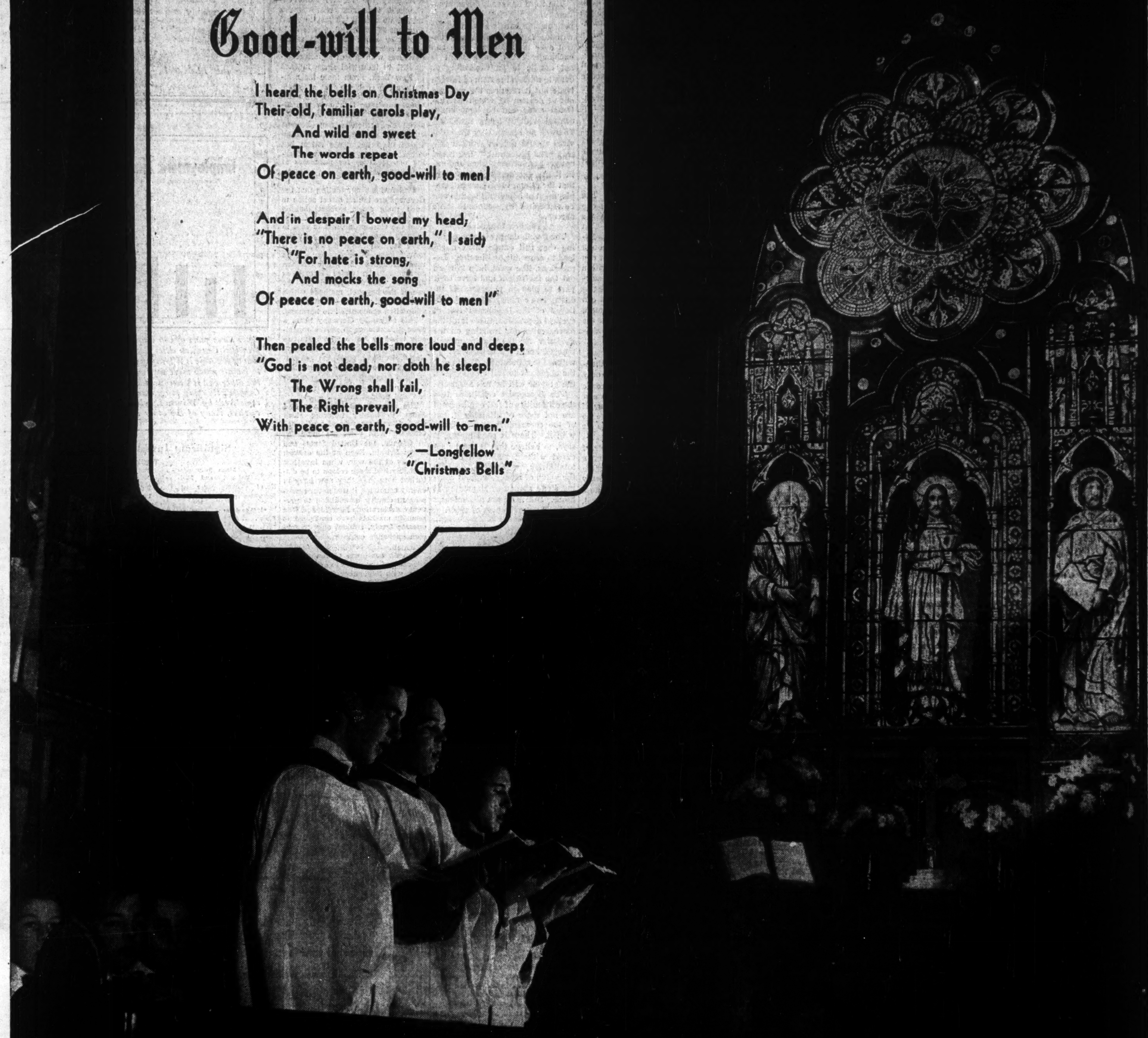
Peace on Earth Good-will to Men

I heard the bells on Christmas Day
Their old, familiar carols play,
And wild and sweet
The words repeat
Of peace on earth, good-will to men!

And in despair I bowed my head;
"There is no peace on earth," I said;
"For hate is strong,
And mocks the song
Of peace on earth, good-will to men!"

Then pealed the bells more loud and deep:
"God is not dead; nor doth he sleep!
The Wrong shall fail,
The Right prevail,
With peace on earth, good-will to men."

—Longfellow
"Christmas Bells"



Seasons Greetings & Best Wishes for the New Year

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What is the Price of Full Employment?

The Economist Thinks It's Possible If Capital Investment Encouraged

Out of the Winnipeg convention of the Progressive Conservative party came this first plank in the party's postwar reconstruction policy:

"Every person able and willing to work must be assured of gainful occupation with sufficient means to maintain a home and family. The objective is full employment and fair wages under progressively improving standards. We oppose relief as a substitute for work."

In most discussions of the postwar world, the subject of full employment occupies a prominent place. The Economist of London, England, has discussed the subject at length in a recent series of articles. This publication argues that cyclical unemployment can best be remedied if the state assumes responsibility for insuring that the community spends on capital goods each year as much money as the public is trying to save.

Labor Mobility Necessary

In peacetime, full employment does not mean the total disappearance of the unemployed. It is quite compatible with the continuance of normal minimum employment. The Economist points out that it is imperative for the elasticity of the national economy that there should be a substantial degree of mobility of labor, and not every change of job can be expected to be accomplished between night and morning. Full employment is also compatible with a certain degree of seasonal unemployment.

Why Depression?

A depression occurs when the community spends less money than is needed to buy the whole of the output of which it is capable. Dealing with the cure for this condition, The Economist points out that broadly speaking, if the community is underspending, any increase in spending would improve matters. At the bottom of a depression the state can reduce unemployment by giving consumers more money to spend, either by a direct subsidy, or by putting a few million young men into uniform and giving them army pay.

In so far as there is reason to believe that a modern community has an inherent tendency to save more than it can invest, the encouragement of consumption at the expense of saving is a sound long-term policy. But if the depression arises because of a deficiency of investment, that is, broadly speaking, of capital construction, the direct way of meeting it would be to increase investment.

For Increasing Investment

There are four reasons why a policy of increasing investment is preferable, at least in the short run, to one of subsidizing consumption—that is of reducing saving.

An investment policy can, within limits, be turned on and off in accordance with changing circumstances; a subsidy to consumption or any other direct grants to the people, once given, would be very hard to withdraw.

"Full employment" is accepted by virtually all postwar planners as the keystone of future economic policy. With this view, "The Economist" agrees, but makes these trenchant points:

It is desirable that private investment be kept to a maximum and government public works to a minimum. This because the latter is likely to be uneconomic and would involve, among other things, a trend toward totalitarian government.

The role of the government should be confined to emergency works, and to providing a "climate" favorable to private investment. This it can do by refraining from confidence-shaking measures, and by a more flexible, purposeful taxation programme. For example, "The Economist" suggests that tax allowance for depreciation be drastically increased in depressions, to encourage industrial expansion and replacement.

Secondly, a given amount of money spent on increasing investments is likely to have a larger ultimate effect.

Thirdly, if there are to be subsidies for consumption, only the state can provide them; but it can induce others, as well as itself to expand investments.

Finally, an increase in investment is more "natural" in that it responds to the individual acts of choice that led to the saving; it is therefore likely to be more stable. It is stressed that if the whole burden of maintaining investments were thrust on the state, the task might well be beyond its means.

Limited Field

The state, as an investor, is subject to a large number of limitations. It has difficulty in entering the field of competitive industry. This particular difficulty leads it to concentrate its public works in fields that are not finally remunerative, such as public buildings, roads, bridges and the like. The Economist declares that if too much of the community savings are invested in forms that yield no money return, there will be trouble. The individuals who save, do so in the expectation of monetary return on their savings. A man who has saved all his life cannot live on the magnificence of the local town hall.

If the standard of material living is to maintain its steady rise, it is essential that as much as possible of the community savings should be invested in forms that will yield a tangible and material dividend in the future—and that is what any state short of the totalitarian has difficulty in doing. Totalitarianism is, indeed, the ultimate end of a "public works" policy, says this publication.

Second Best

The Economist points out that all this is not to say that the state should never engage in capital construction on its own account—on the contrary, there is an inescapable obligation to do so if the alternative is a cyclical depression—but it is to say that "public works" should be regarded as a very poor second best. The primary object of an investment policy should be to see that private investment is kept steady at a high level, and only if that fails to close the gap by "public works."

Price To Be Paid

An analysis shows that at the price level of 1938, the requirement for full employment in the United Kingdom was that £1,200 million a year should be spent on capital goods. This would represent approximately one-fifth of the gross national output. In Canadian terms, this expenditure would be equivalent to about $1 billion.

This figure is very much larger than is usually realized and its magnitude serves to illustrate why it is that attempts by governments have in the past so frequently failed to produce any effect on the state of trade. A "public works" programme of an extent small in comparison with the required total may easily do positive harm if the circumstances of its announcement are such as to create an atmosphere of alarm and frighten the private individual or institution with money to lay out.

For Interest Rate

The main endeavor of a full employment policy must, therefore, be to maintain a large and steady volume of investment. The most direct instrument for this purpose is the rate of interest. However, even the lowest rate of interest may fail to make borrowing attractive, if the risks of investment appear to be too great. Some more direct and positive method of stimulating investments will be required. Much could be done by means of taxation.

Thus, says The Economist, there is no reason why the allowances that are made from the income tax liability of industrial companies for the depreciation of plants should be immutable from year to year. In bad years, they could be double — provided the whole amount was spent. Much could also be done by direct control and encouragement. A national investment board has hitherto usually been regarded as a means for discouraging unsound investments in boom years. But it would be still more useful as a means of encouraging and facilitating investments when the state of national economy requires it.

Inflation Danger

By these and other means the state should do its utmost to keep the volume of normal investment at the required level. It is thus recognized that the task of preventing inflation would remain in an acute form. With investment and savings balanced at the highest possible level of employment of resources, the dangers of the nation seeking to increase its investment in monetary terms when no real increase in employment or production is possible are plain.

But if the total investment showed this tendency to rise above the target, the state would have plenty of effective means of arresting the tendency. If the total of investment showed a tendency to fall below the target, then—but only then—the government should engage in additional "public works" to whatever extent might be necessary.

No Project Shortage

Fundamentally, claims The Economist, there is only one thing that could prevent such a policy from being successful—that is, a shortage of projects of investment. It is argued that although there may be a limit to what can conveniently be invested within the present institutional framework, it is ridiculous to suggest that there is a limit to what can possibly be invested. To maintain that would be to believe that the machine has exhausted its usefulness to mankind.

Political Angle

A more reasonable apprehension, says this journal, is that only the state will have the resources to engage in the necessary volume of investment, and that the policy of leaving as much as possible to other agencies may prove to be unworkable.

It is recognized that the role of the state in financing investments should be kept as small as possible as the stability of the monetary system would be involved while a gradual spreading of state control, by way of capital investment, would put the whole community at the mercy of any political adventurer who could capture the political machine.

Monetary Risk

Second risk of the plan is the monetary one. The ultimate reliance of the policy is on expenditure by the state and, however great the stimulus to private business, there is likely to be a considerable volume of state investment, especially in years that threaten to be bad. This would almost inevitably lead to the expansion of credit, that is to the creation of money.

The question must therefore be asked whether a policy which envisages periodical creation of what may be large amounts of new money may not lead to monetary instability, which would not only be undesirable in itself but also, by deranging the relationship between cost and prices, would defeat the main object of keeping the national economy in balance. The development of new techniques of monetary control are said to give some grounds for hoping that a full employment policy could be pursued without it defeating itself through severe monetary disturbance. It is admitted that the danger remains, and some instability in the value of money may have to be accepted as the price of stability of employment.

No International Control

The third danger is the international one. A full employment policy could hardly be carried out without fairly far-reaching control over international trade and exchange. Full employment is not hostile to an expanding or even to a liberal system of foreign trade but it requires the working out of devices by which international trade can be kept under control without being restricted. There is no reason why these devices should not be worked out, says "The Economist." But it has not yet been accomplished and until it has, the danger will remain that the attempt to secure full employment at home will lead to and be frustrated by, economic strife abroad.

Deaden Initiative

The fourth danger is seen as being that full employment might lead to economic ossification. Depressions, like wars, help to weed out the inefficient and have their part to play in progress. If industry and commerce are to be relieved of the haphazard risk of cyclical depression, there is all the more reason for insisting on the necessity for the maximum volume of healthy free competition within the community. The nearer the approach to full employment, the greater will be this necessity.

The Economist concludes that the difficulties of full employment are not those of attaining it, but of the companions it will bring with it. There is good reason, it says, to believe that it can be secured without making the state totalitarian, without debauching the value of money, without causing strife abroad or stagnation at home. But these are affirmations of faith, not evidences of proof.

UNION GAS HEAD

David P. Rogers has been elected president of Union Gas Co. of Canada, succeeding S. A. Morse, who has resigned on account of ill health. Mr. Rogers has served the company for a number of years as a director, and recently as vice-president. He is also a director of the affiliated United Fuel Investments.

The Shareholder

Stock markets in this country seem to have given confirmation of an upward trend, attaining new highs for the year. Such action can be interpreted favorably. It must be remembered, however, that stock markets do not continue to move in either direction without interruptions. There will be reactions, perhaps some of them relatively severe and causing many to have doubts as to the direction of the main move.

Actually the Toronto stock exchange's industrial share index moved up from 79.88 last in April to about 98 at Dec. 21, a gain of 18 points or about 22%. This represents a substantial improvement and compares with one of approximately 28% in industrial share indexes in New York. From these facts, investors can conclude that a certain amount of caution in making additional purchases right now is justified. A rise that has lasted for about eight months may become vulnerable to upsets, a condition which need not cause alarm but might instead be regarded as offering opportunities for purchases at attractive levels.

* * *

Evidence is accumulating that the Germans are taking direct action to keep their stock market looking healthy. One method adopted is to send the Gestapo around to talk to sellers of securities whose activities have brought about declining values. Similar methods have been used throughout the whole German economy. Violent price fluctuations are met with disapproval and the use of the bayonet, methods which still do not serve effectively to whip alien economies into harmony.

This action by Germany bears a close resemblance to moves reportedly taken by Japan where the two largest stock exchanges are being closed. In their place the government plans to establish a Japan Negotiable Securities Exchange which would apparently be a government run and policed market.

The necessity for Germany and Japan to bolster faltering stock markets as a measure of confidence contrasts with what has happened in Canada, the United States and Great Britain. Even at the darkest periods of the war, when investors probably had more reason to be disturbed here than they now have in enemy countries, it was never necessary to employ compulsion to prevent deterioration of confidence. Our security markets have continued to operate freely, subject only to foreign exchange controls.

* * *

Canada continues to report high net sales of securities to other countries, with September figures showing $6.8 millions as a net balance compared with $5.8 millions in August. In the nine months ending in September this year, net sales of securities by Canada totalled $77.1 millions compared with $18.6 millions in the same period of 1941. Canadian bonds at $70.3 millions made up by far the larger portion of this balance, and included $35.1 millions of the Dominion guaranteed, $50.6 millions of Dominions and $19.5 millions of provincials. In the same period of 1941 net sales of Canadian bonds amounted to only $5.9 millions, a fair measure of the changed attitude by the United States investors towards Canadian securities.

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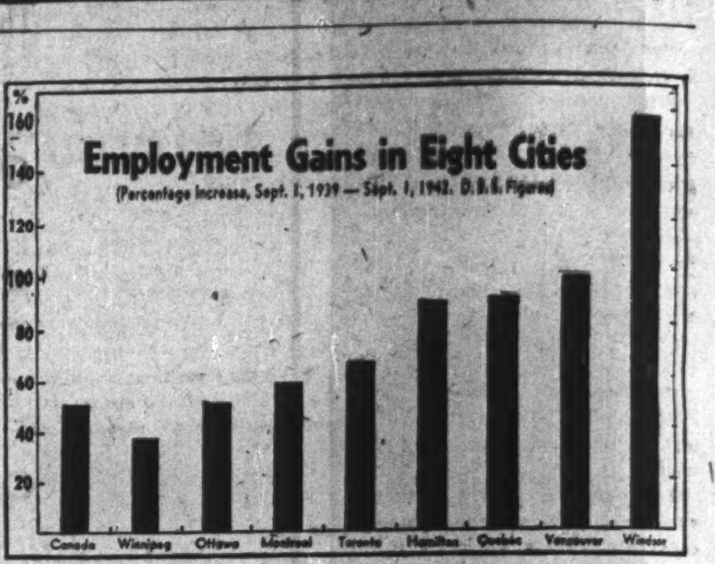


After three years of war employment increases in eight of the principal Canadian cities show sharp differences. At the bottom of the scale is Winnipeg which has long claimed to be able to handle much more war work than it has had so far. Near the other end is Vancouver by virtue of its important place in Canada's shipping programme, while greatest interest of all is registered by Windsor, which produced all the Universal carriers, many of the other vehicles which defeated Rommel.

Significant Investors' Index Numbers

No. of Securities	Mach and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	183.4	146.8	118.3	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	78.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	98.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
Aug.	76.0	56.0	61.2	47.5	97.7	75.3	98.3	73.1	66.9	71.9	67.8	61.6
Sept.	77.9	55.9	62.0	49.0	98.8	74.2	98.7	71.2	67.1	69.0	69.2	62.6
Oct.	80.3	57.8	64.9	51.0	99.6	74.0	98.9	70.8	67.9	70.3	72.0	65.0
Nov.	82.5	62.6	72.3	53.7	101.6	77.1	103.3	74.9	72.1	72.3	77.6	67.6
1942: Weekly Figures:												
Dec. 3	84.3	68.3	79.3	55.4	104.1	82.2	108.8	78.9	77.9	74.1	82.0	69.5
Dec. 10	85.6	67.0	85.3	55.2	109.1	83.7	108.9	77.8	76.8	73.9	80.8	69.3
Dec. 17	86.3	72.1	80.8	55.7	108.7	81.5	107.7	78.8	81.2	74.1	84.5	70.9

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominon Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Dec. 22	98.28	65.30	62.85	17.68
Dec. 21	97.91	65.16	62.95	17.67
Dec. 19	97.75	64.99	63.02	17.73
Dec. 18	97.77	65.19	63.10	17.75
Dec. 17	97.35	64.60	63.02	17.71
Dec. 16	96.61	64.24	62.19	17.53
Month ago	92.37	64.40	62.18	16.29
Year ago	91.30	82.15	66.95	18.24
High 1942	98.28	83.71	71.01	18.86
Low 1942	79.85	50.16	58.74	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cnd.	10 Pprs.	15 Golds
Dec. 22	50.9	63.5	59.3	75.31	46.54
Dec. 21	50.6	63.3	59.0	75.40	46.32
Dec. 19	49.9	63.4	58.9	76.26	46.55
Dec. 18	50.1	63.2	58.8	75.45	46.53
Dec. 17	49.9	62.8	58.5	70.44	46.30
Dec. 16	49.4	62.3	58.0	66.33	46.28
Month ago	45.8	58.0	54.3	60.14	46.20
Year ago	41.8	59.4	53.5	72.61	55.47
High 1942	50.9	63.5	59.3	77.18	54.82
Low 1942	39.6	53.5	49.8	47.38	33.47

Fisheries Commission Bringing Salmon Back

From Our Own Correspondent

VANCOUVER.—One of the biggest conservation jobs in Canada is being performed by the International Pacific Salmon Fisheries Commission. The long-term objective is to bring the Fraser River fishery in B. C. back to its former greatness.

Those who have made the closest study of the famous sockeye salmon of the Fraser believe it will be possible to develop an industry there capable of returning a minimum of $30 millions annually. At present the average returns from the area are about $6 millions.

In the old days the Fraser supported dozens of canneries and an army of fishermen, but the rockslides caused by construction of the Canadian Northern through the canyon at Hells Gate almost finished the fishery. These slides occurred nearly 20 years ago.

The sockeye, whose life is being closely scrutinized by the commission's experts, moves in four-year cycles. Fish hatched this fall in spawning areas—the lakes and tributary rivers of the Fraser system—go to sea next spring. Where they go once they reach the ocean no one knows, but authorities do know that when the salmon are four years old they return to the place where they were spawned—unless commercial fishermen or obstructions in the river channels bar their course.

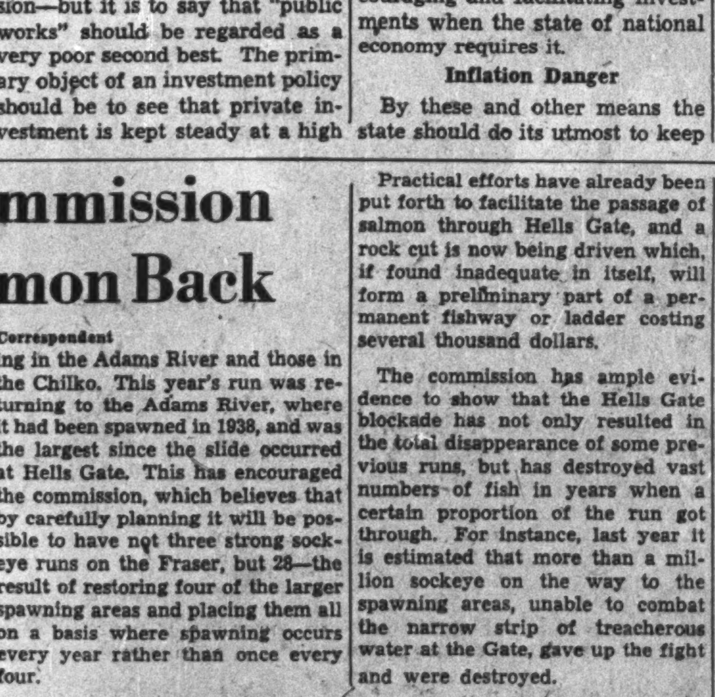
Tagging Fish

The commission's primary duty during the next three years is to continue its study of the salmon and, by tagging and other operations, to discover means of rehabilitating the lost runs while building up the runs that continued to survive the rock slides.

At present there are three well-established and important sockeye runs on the Fraser—those originating in the Adams River and those in the Chilko. This year's run was returning to the Adams River, where it had been spawned in 1938, and was the largest since the slide occurred at Hells Gate. This has encouraged the commission, which believes that by carefully planning it will be possible to have not three strong sockeye runs on the Fraser, but 28—the result of restoring four of the larger spawning areas and placing them all on a basis where spawning occurs every year rather than once every four.

Practical efforts have already been put forth to facilitate the passage of salmon through Hells Gate, and a rock cut is now being driven which, if found inadequate in itself, will form a preliminary part of a permanent fishway or ladder costing several thousand dollars.

The commission has ample evidence to show that the Hells Gate blockade has not only resulted in the total disappearance of some previous runs, but has destroyed vast numbers of fish in years when a certain proportion of the run got through. For instance, last year it is estimated that more than a million sockeye on the way to the spawning areas, unable to combat the narrow strip of treacherous water at the Gate, gave up the fight and were destroyed.



Providing Canada's national income for the last three months of 1942 equals the average of the first nine months as computed by the Dominion Bureau of Statistics, the year's total will reach $7.4 billions. This would compare with $6.5 billions for 1941 and $5.4 billions for 1940. National income by months shows a tendency to peak each year in September, probably reflecting harvesting results, but this year's monthly peak to date came in July, as indicated by the index of national income charted above.

British Factories Need Time, Motion Studies

That time and motion studies should be carried out and incentive bonus schemes introduced is part of the recommendation of the Selective Committee on national expenditure enquiring into the Royal Ordnance Factories in Great Britain in a recently published report.

The committee strongly recommends that in existing processes and operations in the Royal Ordnance Factories arrangements should be made at once to undertake motion studies of the operations performed in the order of their importance. These studies should be generally confined to improving manipulation within the frame of existing layouts and equipment.

With regard to time studies, it is recommended that these should be made as soon as a fair sample of operatives have become reasonably proficient in the job they are required to do, following which standard times for operations should be established. Bonus incentive wage payments scheme should then, and not until time studies have been completed, be negotiated.

For new processes and operations, time and motion studies should invariably be made in the early stages of the planning so that shops may be laid out, equipment designed and work planned upon the most efficient basis.

Like Canadian Experiences

This British experience does not seem much different from that in Canada. The committee claims: "It is a matter for regret that the principles of time and motion study have been introduced in royal ordnance factories at so late a stage." It points out that after 18 months work, some progress has been made. Efficiency in working cannot be greatly improved by the mere measurement of time that's spent without simultaneously determining whether that time cannot be shortened by a simplification of the motions which occupy it. A tacit acceptance of a lower standard of efficiency than that which should be attained is implied when timing only is relied upon.

Experience in three ordnance factories in which incentive bonus schemes have been introduced indicates a great increase in output, in one case by some 25 to 30%. Experience does not suggest that quality of production is deteriorating or that the accident rate is growing. In fact, it is claimed, a large part of the increased output can be attributed to workers starting work more punctually and leaving off nearer to meal breaks. It is cautioned, however, that such schemes will not work without provoking discontent among operators unless a steady flow of materials and components can be maintained.

Sangamo Co. is expected to report earnings for 1942 at about the same rate as in 1941, when they were $3.15 a share. An increase in business has been experienced and the plant is now engaged almost 100% on war work. Earnings are consequently limited by the 5% profit allowed by the government. New plant is being written off at increased depreciation rate and a further increase has been applied for. The company has declared a dividend of 15c. a share, payable Dec. 28, to shareholders on record Dec. 23. This compares with previous 25c. a share payment, but it is stated the reduced dividend is not a reflection of 1942 earnings but an action taken to save working capital and a protection against contingencies.

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POSTER ADVERTISING MEETS WAR-TIME CONDITIONS

Progressive Conservative Platform: War Policy

Liberals Adopt Clause One

War Plank Still Has Plenty of Room for Argument

(Continued from page 1)

administration has been against formation of such a council. Prime Minister King has repeatedly expressed his belief that present means of communication allow a quick interchange of views between the Dominions and London and that important decisions should be made by a government, not by one man. Mr. King has stated that while an Imperial War Cabinet was in operation during the last war there had been "continual differences." From the other Dominions there has been no concerted demand for an Empire War Council.

Proponents of the idea assert that more direct representation for the Dominions in plotting grand strategy would make for a more united front, and that part of the load would be lifted from the British War Cabinet. They point out that regardless of modern communications there is nothing like personal contact, that Churchill himself has personally visited Stalin and Roosevelt, that King has often journeyed to Washington for first-hand conversations.

● **Recognizing that the world struggle in which Canada is engaged requires a total war effort, we believe in compulsory national selective service, and that all those selected to serve in the armed forces should be available for service wherever required. We believe in the effective total utilization and proper allocation for war, by compulsion where necessary, of all the resources of Canada, including agriculture, industry and finance, as well as manpower, and that our aim should be at all times to bring about so far as human means can achieve it, an equality in sacrifice.**

This section has been one of the most discussed of the entire platform. Wording of the clause was toned down from that set up at the Port Hope convention of party laymen which said "we demand immediate and complete conscription of manpower for the armed services for duty in any part of the world." The Winnipeg phrasing is seen as affirming the same principles but omitting the word "conscription," which might be unpalatable to Quebec delegates.

Liberals claim that there is no difference between the Winnipeg declaration and the present policy, that those being called up are already available for service anywhere on passage of an order-in-council, and that the Conservatives were trying to "soft pedal" the issue. The Conservatives reply that draftees are not available for service anywhere in view of the fact that this order-in-council would first have to be passed, while Prime Minister King has indicated he would seek a vote of confidence on such a move.

● **All appointments and promotions in the armed forces of Canada should be based on efficiency only.**

It is understood that during discussion of this clause in committee several cases were brought up where partisanship was alleged to have played a part in military appointments. Rather than make specific charges it was decided to phrase this clause in its present form so as to be at once constructive and to show the party's attitude on the question. On the other side of the fence it is declared that the Dieppe casualty list is a good argument against charges of favoritism in army appointments in that the list showed a large number of officer casualties and that they came from virtually all classes of Canadians. The Conservative stand reflects the Port Hope demand that politics be eliminated from administration of the Department of National Defense.

● **The cost-of-living bonus now provided for civilian employees should be extended to apply to pensions of veterans and to the dependents of men and women in the armed forces. In the event of any member of the armed forces being listed as missing there should be no interruption in the payment of separation allowance and assigned pay pending the definite establishment of a change of status of the member in question.**

As already noted the cost-of-living bonus has now been granted to dependents of men in the armed forces. Women with dependents are not accepted into the services. The bonus has not yet been granted on veterans' pensions. The section of the clause dealing with interruption of separation allowance reflects reports that some wives have had their separation allowance cut off before the changed status of their husband in the army was definitely established.

● **Because the Canadian people are required to practise the most rigid economy to finance the cost of war, the departments of government including all those of national defense should practise similar economy.**

Ordinary expenditures by the Dominion in the 1941-42 fiscal year totalled $443 millions against $390.6 millions in the previous year. For the present fiscal year Finance Minister Ilsley has estimated that the total will be around 10% greater than in 1941-42. Of the 67 items in ordinary expenditures in 1941-42 only 21 showed a decrease from the preceding year, and most of these were comparatively minor.

Government officials say that by far the greater part of ordinary expenditures is made up of uncontrollable and contractual items such as interest and other charges on public debt, pensions, unemployment insurance, post office subsidies and payments to provinces under the Dominion-Provincial tax agreements. An economy drive was recently opened by Ottawa under Col. John Thompson, director of the government office economies control.

● **Freedom of the person, of speech, of the press, the radio and other means of communication is essential to the wellbeing of the nation. When war makes limitation of this freedom necessary safeguards should be provided against bureaucratic tyranny.**

Some of the bitterest comments at the convention were on the policy of the Canadian Broadcasting Corporation which refused to broadcast the proceedings. Rt. Hon. Arthur Meighen declared that the party was refused radio coverage "by an authoritarian commission appointed by the government constituted from a single party in this Dominion." Mr. Meighen added that the C.B.C. had "butchered" a previous speech he had made.

Reason given by the C.B.C. for not carrying the convention was its policy against broadcasting anything of a controversial political nature between elections. Conservatives reply to this by declaring that many of the speeches recently made by government leaders have been controversial. Mr. Meighen laid particular stress on a recent speech of Professor Watson Thomson on the C.B.C. in which Thomson allegedly "besmirched . . . the fair name of Britain."

Government sources have declared the Conservative criticism unwarranted, Secretary of State McLarty saying:

> "The government would not be consulted about the speeches being broadcast because the broadcasting authority is an independent body, free of government and its influence and control."

Mr. Meighen charged that C.B.C. governors, "every one of whom is an appointee of the government of Mr. King," had given the Liberals "a monopoly of the radio and they are using that monopoly with their eye on the ballot, come morning, noon and night."

Municipal Field Seen Fine Political School

The following, written by J. V. McAree, columnist, is reprinted from The Globe and Mail, Toronto, issue of December 16.

By J. V. McAREE

It is one thing to say that issues which divide Canadians nationally should not be permitted to enter into the election of a reeve or an alderman, and quite another to say that political parties should be banned from municipal elections. In fact, it seems to us that political parties have an opportunity to advance their own ends legitimately and to render service to the country by taking an interest in local affairs. By the testimony of one of its strongest opponents it was by this means that the C.C.F. gathered strength in British Columbia. Its members became aldermen and councillors and took the keenest interest in local affairs, and especially in dragging into the light local needs and inefficiencies. They therefore impressed the electors generally with their energy and alertness, and when later they stood as candidates for the Legislature or for the Canadian Parliament they had a record of municipal usefulness that brought them much support.

Working Up

And how ordinarily do the men who become leading Conservatives and leading Liberals come to hold these positions? Ordinarily they work their way up through the public service in small positions. They become aldermen or school trustees. We think that, so far as rural members of both Parliament and our Legislatures are concerned, most of them have had experience as reeves, county councillors and in similar elective offices. In all probability by the time they have held any of these positions they have become connected at least nominally with a political party. But it is not for this reason they are elected, or more certainly re-elected; it is because they are expected to give or have given satisfactory service. If a good mayor is a Liberal, this naturally reflects credit on the Liberal party, and when a political contest comes it entitles him to a large share of the independent vote which, in Canada, is growing larger as the years go by. It is true, of course, that certain constituencies are so politically hopeless that to become the nominee of a party means certain election. These constituencies are becoming fewer. The candidate is coming to mean more than the party to which he belongs. If he fails to realize this it is his own fault.

Promotions

Obviously it would be to the advantage of political parties to put forward their most promising young men for early service in their own municipalities. That is how a party would grow and attract independents. If an alderman felt that he was a representative of a historic party as well as the representative of the people in his ward, it would give him an added sense of responsibility. He would be encouraged by the reflection that if he made a good alderman or member of a county council he might reasonably expect promotion. That is, as a matter of fact, what happens. Toronto has sent to the Legislature and to Parliament many men who had their apprenticeship as municipal servants. A conspicuous example is T. L. Church. Former Mayor Stewart is a member of the Ontario Legislature, and if it is argued that he is there because he is a Conservative it is not possible to argue that his success as alderman and mayor of Toronto was due to the same cause. It was due to his great energy and understanding of municipal affairs. Premier Conant was mayor of Oshawa before he became Prime Minister of Ontario.

Growth of a Party

In fact, it is generally realized that previous experience in a smaller public theatre is admirable training for men who want to become members of Parliament. It is also realized that it has been a national calamity that in recent years the Conservative party has been so poor in men who have commanded public respect. Where are its reserves coming from, the younger men who in fifteen or twenty years will be its leaders in Ottawa? They ought to be getting experience on county councils, as village reeves, as city mayors, and winning general respect because of their disinterested labors. The Conservative party is not to be recreated by one man at the top. It must grow by the labors of men down near the bottom who have a natural ambition to mount the ladder, and, when they have proved themselves, are given positions of greater responsibility and honor. It must be greatly to the interest of a political party that it has public-spirited citizens in its ranks who are willing to gain experience and confidence by work on county councils and country school boards.

Parties Indispensable

To say that a township reeve is a Conservative ought to be no more a reproach than to say he is a Methodist. Most people, in politics or not, are willing to accept some party label, even if it is that of independence. There was a time when people were proud of their labels, and when they had reason to be proud. If politics has fallen into disrepute it is not the fault of the rank and file, although they may not have discharged their full duty as citizens. To say that a man is a Liberal politician ought to suggest no more discredit than to say that he is a Baptist deacon. Most of us lack a realization of the fact that in a democracy it is only by parties that the people's will is carried out and their interests protected. The trouble comes, as it has come, when the means is mistaken for the end, when party is exalted above country, and becomes an end in itself. But we think that this is a mere phase through which we are passing, and in another ten years will have almost completely vanished except among fanatical minority groups.

CANADIAN GOVERNMENT BONDS

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The Bondholder

Provincial revenue structures are not likely to be too greatly upset by the loss of liquor revenues which Prime Minister King's announcement will entail. In making up their budgets for the present fiscal year the provinces recognized the possibility that war conditions would force some restrictions on the liquor trade. On that assumption they pared down their estimates on liquor revenue for the 1942-43 year. Example of what was done is given by Ontario, which shows the highest liquor revenue of any province. In the fiscal year ended Mar. 31, 1942, Ontario had liquor revenue of $13.6 millions, but for the current year the budget anticipates a revenue of only $10.5 millions, or the same as in 1940-41.

For all Canadian provinces liquor revenues in the fiscal year ended in 1941 was $41.5 millions or 13% of total provincial current revenues. This figure contrasts with the 1937 level of $29.7 millions.

The new liquor restrictions would appear to remove chances of expansion of provincial revenues in this direction, thus putting a ceiling on the last of the main sources of provincial revenue. The provinces are guaranteed their revenues from income tax and gasoline under the tax agreement with the Dominion, but, so far, there has been no indication that a similar guarantee will be offered on liquor revenues.

* * *

How provincial expenditures have been increased by war conditions was indicated this week by Premier Conant, when he reported that Ontario has spent more than $28 millions in furthering the war effort.

He cited bonuses of $5.5 millions to stimulate hog and cheese production; assistance in establishment of 1,000 new flocks of sheep; organization of 113 municipalities for civilian defense; more than 407,000 examinations made by provincial laboratories for the armed forces, Red Cross clinics and war industries; the survey of 45 air field sites for the air force; construction of highways to army and air force stations; and operation of emergency classes in 31 vocational schools, with approximately 52,000 trained to date and another 22,500 trained in special courses for the armed forces.

JOINS BOARD

C. G. Heward, K.C., who has been elected a director of Montreal Light, Heat & Power Cons. Mr. Heward is a partner of the Montreal legal firm of Holden, Heward & Holden, and a director of a number of companies.

November Deficit Runs To $5.1 Millions A Day

War Costs For Month Equal $9.8 Millions Daily, 127% Higher Than Year Ago; $91 Millions of Gift to Britain Left

During November Canada operated with a daily deficit of $5.1 millions. Revenues during the month totalled $180.7 millions against expenditures of $335.5 millions, leaving a deficit of $154.8 millions. In Nov., 1941, revenues were $108.8 millions and expenditures $171.5 millions, for a deficit of $62.7 millions.

In the first eight months of the Dominion's current fiscal year a deficit of $1,257.6 millions was piled up as compared with a deficit of $101.8 millions for the same period of 1941.

At $295 millions for the month, November war expenditures equalled $9.8 millions a day, 127% higher than the previous November. In the first eight months of the fiscal year war costs at $2,358 millions represented an increase of 214% over a year ago.

During November another $80 millions installment was met on the billion dollar gift to Britain, bringing the total of this gift so far spent to $909 millions.

Revenues and Expenditures
November

	1942	1941
	$000	
Receipts:		
Customs	11,451	13,297
Excise duties	16,006	10,263
Ex. taxes, sales, etc.	43,451	41,624
Inc. & E. P. taxes	98,315	33,713
Post office	4,933	4,440
Sundry	4,638	4,947
Special	1,877	508
Total	180,672	108,794
Expenditures:		
Ordinary	40,058	40,441
Capital	390	610
Relief	5,504	9,171
War	209,562	121,254
U.K. war fin.	80,000	......
Govt. ents.	33	33
Other	3	22
Total	335,551	171,532

Eight Months Ended November

	1942	1941
	$000	
Receipts:		
Customs	80,668	94,664
Excise duties	95,980	72,343
Ex. taxes, sales, etc.	308,083	285,211
Inc. & E. P. taxes	896,810	406,875
Post office	29,074	27,294
Sundry	37,419	22,104
Special	5,726	2,878
Total	1,453,761	911,369
Expenditures:		
Ordinary	349,940	258,642
Capital	2,646	2,489
Relief	16,527	22,604
War	1,432,528	728,652
U. K. war fin.	908,928	......
Govt. ents.	677	639
Other	34	199
Total	2,711,282	1,013,225

National Bank Bond Holdings Are Higher

Earnings per share lower at $11.09
Dividends paid per share .. $7.50
Assets increase $32 millions.

More government bonds, rise in deposits, maintenance of call and current loans, and a moderate decline in earnings, feature the report of the Banque Canadianne Nationale for the year ended Nov. 30.

During the year, assets increased by $32 millions. Holdings of government securities rose from $33 millions to $58 millions, reflecting financing in connection with the war effort. The war outlay caused public and government deposits to rise sharply.

Maintain Loan Position

Call and short term loans, as well as current loans and discounts, were on practically the same level as a year ago. Most banks have reported a decline in loans.

Profits for the year totalled $776,815, or $11.09 a share, as contrasted with dividend payments of $7.50. In the previous year the Bank earned $811,351, equal to $11.59 a share, while dividends totalled $8 a share.

Profit and Loss Statement
Year Ended November 30

	1942	1941
Net profits*	$776,815	$811,351
Less: Dividends	525,000	560,000
w/o Premises	125,000	125,000
Quebec account	125,000	125,000
Surplus	1,815	1,351
Previous surplus	252,389	251,038
Surplus forward	254,204	252,389
After following charges:		
Prov. for taxes	$335,982	$251,629
Pension fund	60,000	60,000
Liabilities		
Note circulation	$3,001,652	$3,606,662
Dep. by public not bearing interest	50,238,787	37,772,801
Dep. by public bearing interest	116,403,007	108,306,208
Dep. by the Govts.	18,796,904	7,318,149
Total deposits	185,438,698	153,397,158
Total liab. to public	190,918,484	158,854,331
Total liab. to shhlds.	12,364,912	12,397,605
Assets		
Total cash assets	$34,551,381	$27,952,468
Govt. securities	58,214,420	33,026,518
Call Loans	3,356,985	3,457,481
Total quick assets	140,786,543	106,122,613
Cur. loans & discs.	48,442,989	49,966,486
Loans to municips.	6,398,193	7,327,049

VICE-PRESIDENT

Allan R. McCleary has been elected vice-president of Stein-Hall Ltd., Toronto, manufacturers of starch and dextrine. The Toronto firm is a subsidiary of Stein, Hall & Co. of New York and of Stein, Hall Mfg. Co. of Chicago.

C. N. R. Profits Set New Record

November Returns Raises Net to $78.3 Millions

From Our Own Correspondent

MONTREAL.—Operations of the Canadian National Railways for November resulted in a further improvement in earnings.

Gross income for the month, compared with November last year, advanced nearly $4.6 millions to $31.8 millions. Much of the gain was absorbed in higher expenses, but net income of $6.6 millions was $882,308 above that reported a year ago.

An All-Time Record

For the first 11 months of this year operating income of the system reached an all-time high of $338.7 millions, or $62.3 millions more than in the same period of 1941. After allowing for higher expenses, net income of $78.3 millions was nearly $18 millions more than a year ago. This figure is larger than that reported for any year on record.

	1942	1941
November		
Oper. rev.	$31,866,000	$27,292,966
Oper. exp.	25,263,856	21,573,130
Net revenue	6,602,144	5,719,836
Aggregate to Nov. 30		
Oper. rev.	$338,695,000	$276,365,487
Oper. exp.	260,428,494	216,017,596
Net revenue	78,266,506	60,347,891

Reflecting better sentiment in stock market circles, the November value of listings on the Montreal Stock Exchange and Montreal Curb Market rose $208 millions to its highest point since March at $6,272 millions. The October figure was $6,064 millions, while that for the corresponding month last year was $6,853 millions.

Advertising Men Help War Effort

Practically the entire membership of the Advertising and Sales Club of Toronto is contributing personal services to Canada's war effort, a survey by Canadian Facts Registered shows. There are 35 members in uniform. Selling Victory bonds occupied 29.3% of the members, while 26.3% are helping a government department part time. Other activities include writing or designing advertising for the government, war services committee and A.R.P. work, etc.

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The annual edition records in the one place each 1942 dividend payment along with the date payable, record date and ex-dividend date, where it applies. An example follows:

The Intnl. Nickel Co. of Can. Ltd.
7% c pf. ($100 & $5) R. 7% US pa Q
1¾%US . Feb 2/42 Jan 3-xd 31
1¾%US . May 1/42 Apr 1-xd 31
1¾%US . Aug 1/42 Jul 2 xd 30
1¾%US Nov 2/42 Oct 3-xd 1
Paid: 1941—7%; 1940—7%
Com. (np) Rate $2US p.a. (Q)
0.50US . Mar 31/42 Mar 2-xd 27
0.50US .. Jun 30/42 Jun 1-xd 29
0.50US .. Sep 30/42 Aug 31-xd 28
0.50US .. Dec 31/42 Dec 1-xd 30
Paid: 1941—$2.00; 1940—$2.00

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Ottawa	Dec.	Wood, Gundy & Co.	3% 4½%	15-Ser. 10-Ser.	$24,886 105,437	101.03	.....

The Editorial Page . .

Why Protect Butter?

In discussing Canada's critical butter situation last week, Hon. P. M. Dewan, Ontario's Minister of Agriculture, made this observation:

> "We are placing ourselves in the dangerous position when somebody is going to talk about importation of butter or, worse, of allowing substitutes."

Obviously Mr. Dewan is completely out of touch with another party vitally interested in the butter situation, the consumer. Had he not been, he would have heard his "hush-hush" topics discussed both frequently and fully in the last few weeks. Canadian consumers are incensed about the butter shortage and they have every reason for feeling so.

Through a high-pressure lobby and doubtful politics, the Canadian butter producer not only got his product highly protected against competition from our sister dominions, but he demanded and was granted a nation-wide ban on a cheap and wholesome butter substitute, oleomargarine.

With this double-barrelled monopoly, the very least that could be expected of him would be to keep the domestic market plentifully supplied. Granted that there has been some official bungling of the whole dairy situation, it is clear after making all allowances, that Canadian butter producers have failed to live up to their responsibility to consumers. In the opinion of the vast majority of Canadian housewives, they have forfeited their claims to protection against imports and substitutes.

Liquor Restrictions

Prime Minister King will be heartily commended by most Canadians for his decision to restrict the sale of liquor and other alcoholic beverages during wartime. This is a sound move. Until victory has been won, Canadians must be prepared to make sacrifices; and intemperance in liquors, foods, or any other commodity cannot be condoned.

There may be a good reason for banning liquor advertising. A good case might be advanced on moral grounds; the financial argument might have been put forward.

But the reason advanced by the Prime Minister was definitely unsound. Here vigorous exception can be taken not so much to the government's scheme as to the argument offered for it.

Mr. King argues that because liquor consumption is to be restricted, then there is no need to advertise it. Were this an accurate appraisal of the function of advertising, then there should be no need to advertise coffee, tea, automobiles, airplanes, or a hundred and one other commodities and services which consumers are temporarily unable to buy freely.

But manufacturers who understand the functions of advertising continue to advertise these restricted articles. They understand the fallacy of Mr. King's argument. By advertising, they are not trying to circumvent the general curtailment programme, but are merely exercising the most fundamental of business sense in keeping alive in the minds of the public, the names of their products and thereby protecting their greatest of all assets, consumer goodwill.

When the war has been won and again we return to normal living with an abundant supply of goods and services, the full value of this sustaining advertising will be demonstrated. It was abundantly demonstrated in many cases following the first great war.

If the principle of banning advertising on restricted goods and services were applied to business generally, then all brand names would disappear; the vast properties in consumer goodwill would be lost. Through such loss, untold damage would be done to the whole structure of Canadian business and quick postwar recovery, which is vital to our economic progress, would be seriously delayed.

Points Versus Coupon Rationing

Now that we are face to face with general food control, the authorities might well consider the merit of the "points" system as compared with coupon rationing. The former plan has been partially adopted by Great Britain as a result of experience in the first great war, and it is receiving increasing attention in the United States. Instead of giving a specified number of coupons for a specific commodity, the consumer is allowed a total number of points covering a wide range of similar lines.

Two main advantages of the point system are flexibility in handling a fluctuating supply of goods and the incentive given to consumer economy. When a certain line is temporarily short, point values can be lowered; when supplies become more plentiful, a government order can very simply make more available per ration point.

In meats, for example, Canada may again face a situation where, say, beef is exceedingly scarce and perhaps other meats or meat substitutes relatively plentiful. Specific coupons for beef would only mean that the slim supply was evenly distributed, but points rationing could be manipulated actually to ease the shortage. For a time, consumers could be offered point bargains in pork, lamb, poultry, cheese, fish or any other meats or meat substitutes that might be fairly plentiful. Entirely new lines might be introduced. In Britain, immediate advantage was taken of fortunate shipments of tinned meat from the United States. British consumers, unfamiliar with this product, soon turned to it quickly when they were told, through the press and retailers, that they could secure it at point bargains.

Even with our limited rationing experience in Canada, many cases have been disclosed of consumers actually increasing purchases and use of a commodity simply because the new coupons gave them a greater allowance than they had previously been accustomed to buying. Probably a considerable number of children immediately started drinking tea and coffee because they were over 12 years of age and automatically became entitled to coupons for these beverages.

Under the points system, non-tea and coffee drinkers and those who use these things sparingly, would be rewarded by a more plentiful supply of other articles.

Our Airplane Industry—and Peace

The epic expansion of the Canadian aircraft industry since the start of the war gives its postwar condition real national importance. Canada has shown its ability to produce planes under wartime stress. But if the industry is to maintain its position when peace returns, then it must be prepared to meet the competitive conditions of peacetime industry.

In this light the recent launching of the first Catalina amphibian to be built at the Montreal plant of Canadian Vickers is very significant. The contract to produce Canadian Catalinas was accepted at the same price as asked by the American company which originated this aircraft. According to Ralph P. Bell, director-general of aircraft production, this is the first time that this has been done.

This is a noteworthy accomplishment by the Canadian aircraft industry in general and Canadian Vickers in particular. However, this is really only the starting point for the industry's postwar development. To maintain itself on an economic basis, the aircraft industry must be able to produce planes at prices to meet those of foreign competitors. The Catalina contract points the way.

Alberta's Unshared Prosperity

The province of Alberta recently presented its public accounts for the fiscal year ended March 31, 1942, showing a surplus of $7.2 millions. During the Third Victory Loan campaign Alberta subscribed for $4 millions. Despite these facts, which show that the province is far from poverty stricken, it continues its policy of paying only half-interest on its legal debt.

Payment of full interest on Alberta's funded debt during the most recent fiscal year would have meant expenditure of another $3 millions or so, which still would have left a healthy surplus in excess of $4 millions. The net funded and unfunded debt of the province as at March 31, 1942, plus certain guarantees, was $149 millions. Payment of the average rate of interest at 4½% on this debt would have meant an expenditure of $6.7 millions.

The financial showing now being made by Alberta removes the last vestige of excuse for not fully servicing its bonds. When interest was cut to half the coupon rate, it was argued that the province's creditors should share in its decline of revenue. There is now no offer from Edmonton that its creditors should share in its better fortunes.

The Alberta performance is a good demonstration of how readily fundamental tenets of business morality go into the discard once people start making exceptions.

The Postwar World . . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Building a Better World

High pressure war production and research have opened tremendous postwar possibilities in new materials and methods.

In a recent address before the American Chemical Society, Dr. Charles M. A. Stine, vice-president E. I. duPont de Nemours & Co., and adviser on research and development for that huge organization, gave some hints as to how we can take advantage of these possibilities in building a better world after the peace. Pertinent paragraphs from Dr. Stine's address are printed below.

• • •

Today, we produce to destroy.

But tomorrow we will produce to build, and we will continue to invent and thus to multiply our possessions. Released by victory, the stream of production compared with its volume in the past, will be as a great river is to one of its tributary creeks. We will have at our command ten, fifty, a hundred times what we had before, chiefly of new materials.

Possessing the tools, the experience and the knowledge that we now have, we should be unfaithful servants indeed if, upon the coming of peace, we merely buried the talents charged to our keeping. Means will be at hand to perform feats that men have long dreamed of doing.

Fuels and metals and plastics are now ready to complete the revolution in transportation begun early in the century. The automobile manufacturer's slate has been wiped clean for a fresh start, which should result in new cars that will be of incredible efficiency as judged by present standards. Weights may be half what they are, saving from 1,500 to 2,000 pounds of useless load. The power output per cubic inch of piston displacement may double, treble and even quadruple. Fuels may yield 50 miles to the gallon, or better.

In the oil industry they are speculating on fuels with octane ratings of 150, or almost twice that of the best automobile gasoline of two years ago. They say gasoline itself may be displaced by a superior petroleum product.

Instead of rubber alone, there will be a hundred and one rubbers for tires and other uses. In tires, the indicated range is from all natural rubber casings, through varying combinations of natural rubber and synthetics, to the all-synthetics.

In aviation designers are thinking in terms of hemisphere-spanning freighters and of passenger air-carriers in fleets. Trans-continental non-stop air trains of gliders, which would drop off or pick up "coaches" over the principal cities en route, are no longer figments of an imaginative airman's dreams. They are probabilities. Leaders of the industry say that technical considerations no longer limit the sizes of airplanes that can be built.

An enormous plant capacity will be awaiting utilization, tens of thousands will have been trained in flying, and the post-war land will be dotted with air fields. Only within very large cities will we be deficient in field facilities, and there too the signs of impending change are clear.

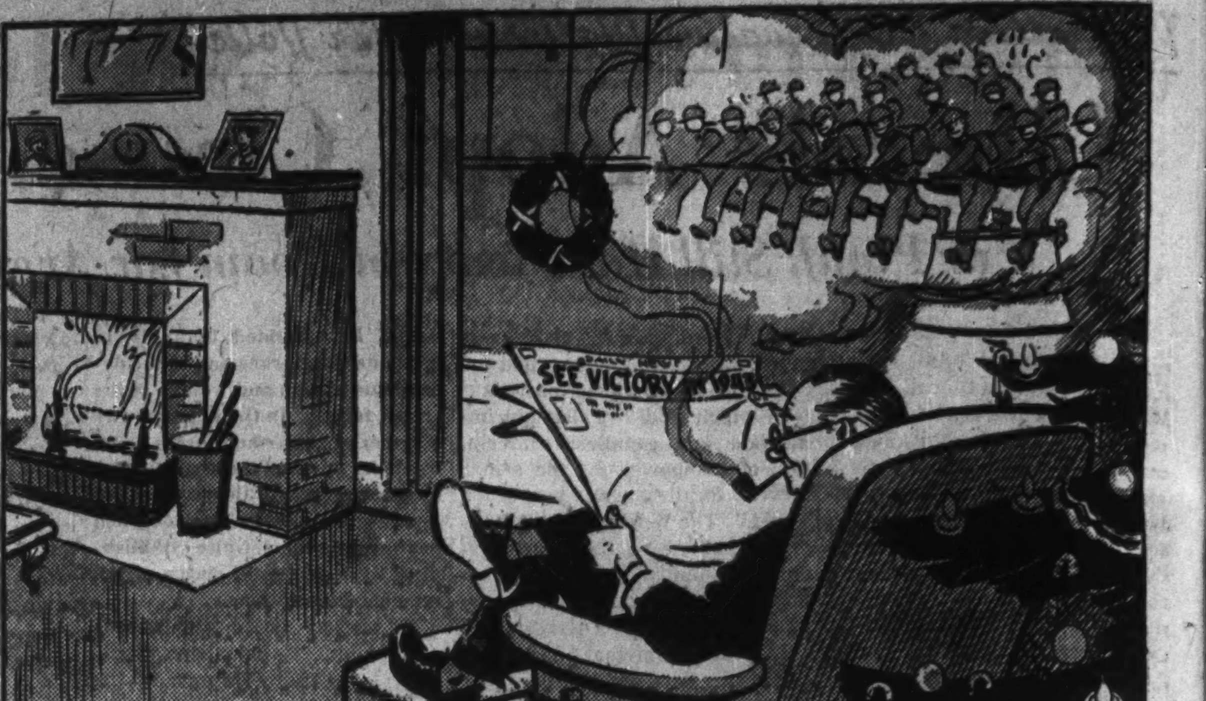
As never before we are conscious of the need for cheaper and better housing. Crowded city slums stand as an ugly reproach to our lack of initiative and vision in home-building. The slums should be emptied after the war by the combination of forces that is being arrayed against them; and once empty, airports might well take over those bleak blocks.

Lower-cost motor cars, which will draw still more thousands of city dwellers to suburbs and country, represent one of the forces that is going to help empty the slum. Public opinion, shaped by a more enlightened conception of the basic needs of healthful living, is another. The third will be the better housing that so long has been awaited. It is coming.

It is coming because in no better way will we be able to put into worthwhile service the abundance of materials suitable for building all kinds of things. Plywood, plastics, rustless steels, non-ferrous alloys, various types of composition board, fire-resistant woods, ceramics, and synthetic finishes of lasting durability will be employed in profusion.

The movement for better homes marches side by side with that to educate the public in better diet. I venture to say that more popular training in the chemistry of food and its digestion has been crammed into the past two years than was given in the preceding two centuries. The knowledge of food's real values to the body that is flowing from sound scientific studies of broad scope, is accumulating means of incalculable power to prolong life.

No doubt, some will become alarmed over the possible displacement of old materials and old industries. Changes of a drastic nature are inevitable but they seldom result in the hardships that the timid predict. More wrought iron is being used in the world today than when wrought iron occupied the province now held by steel. The horse and buggy vanished, but the buggy manufacturers who were alert rose to new affluence with the motor car. The coal-tar colors ended the centuries-long reign of natural dyestuffs, but the dyestuffs industry has grown to many times its former size, and spawned a dozen new industries in addition.



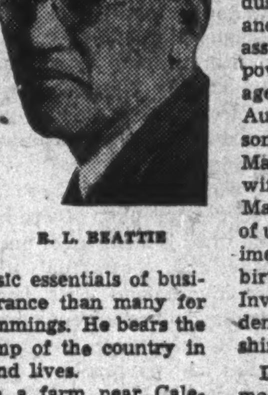
Cartoon by Grassick.

THIS WOULD BE THE GREATEST OF ALL CHRISTMAS PRESENTS.

Post-Scripts . . . .

New G. M. for Nickel

Robert Leslie Beattie who, at 51 years of age, moves up this month into one of Canada's top-ranking industrial posts, the general managership of International Nickel Co. is a northerner. That section of Ontario, hitherto attracting attention for its development of natural resources, has with very much less public recognition of the fact been developing its own leaders. Of these Beattie is an outstanding example. The typical northern executive is long-sighted; has an unvarying instinct for the basic essentials of business and less tolerance than many for its unnecessary trimmings. He bears the unmistakeable stamp of the country in which he works and lives.



R. L. BEATTIE

Though born on a farm near Caledonia, Ont., young Beattie went north to the nickel industry, straight from a business college course in Toronto. That was 31 years ago and, except for a three-year break during the last war, he has been there ever since.

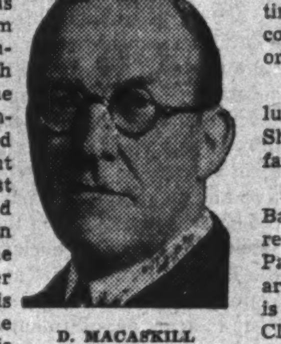
To the public Nickel is Canada's great example of an international industrial success with world-wide sales, development, research and distribution facilities. But the head office of the famous company remains in the relatively small community of Copper Cliff, near Sudbury. Its production chiefs live there and work there. They are active and interested in the community life and affairs as well as in the vast job of producing the great majority of the world's requirements of nickel plus much copper and platinum metals, silver and gold. Most of them have come up through the ranks and virtually all are Canadians and Canadian in outlook. All these qualities, exemplified in the career of the distinguished industrialist, Donald MacAskill, whom Mr. Beattie succeeds, are characteristics also of the new general manager.

When young Beattie first came to Copper Cliff he joined the accounting department. He was successively assistant works auditor and works auditor. From 1915 to 1918 he was with the Royal Canadian Engineers and won the Military Medal overseas. In recent years he has been closely associated with his new duties and in 1940 became assistant to the vice-president, under Mr. MacAskill. He has been serving during recent months on the manpower committee set up by Ottawa, to work out the delicate details of meeting the manpower problem in base metals and transferring, where needed, workers from other industries or from the gold mines to meet the shortage.

Of medium height, studious and quiet, Inco's new general manager has few interests beyond the welfare of the organization for which he works, and his young family of three boys.

From Miner to V-P

Donald MacAskill, who has just retired from the vice-presidency and general managership of the International Nickel but remains on the Board, thereby terminates the active phase of a career which has brought him enormous responsibilities, high prestige in the business and industrial world and an abundant assurance against poverty in his old age. Born on Aug. 1, 1879, the son of Alexander MacAskill and his wife, née Jane Mackenzie, he is of undiluted Highland Scottish blood and imensely proud of this heritage. His birthplace was on the shores of Loch Inver, a lovely salt-water loch which indents the western coast of Sutherlandshire in the north of Scotland.



D. MACASKILL

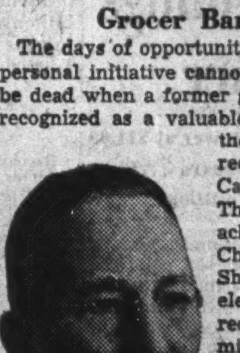
Donald MacAskill was reared in a modest home and in his early years enjoyed the happy, carefree and somewhat Spartan life which is the usual lot of a boy born in the Highlands of Scotland. He got the excellent schooling always available to such lads at the local parish school and supplemented it by attendance at the nearest high school before he set forth to face the world. He had to be the architect of his own fortunes, but various jobs which he tried in Scotland did not seem to open any path to fame or riches and so in the year 1906 he joined the great stream of emigrants which was then flowing from Scotland to Canada, attracted by the lure of the stories of the magnificent opportunities of western Canada.

After some vicissitudes he landed at Sudbury, where Nickel was then a prosperous enterprise but far short of its present vastness. A strong, active young man, MacAskill had no difficulty in getting work at the company's mine. He started at the bottom of the ladder. But besides being a hard worker he had a superior intelligence and soon was promoted foreman. Once started upward he forged steadily ahead. Elevated from one important post to another, in 1931 he was appointed vice-president and general manager.

• • •

Grocer Banker

The days of opportunity opened up by personal initiative cannot yet be said to be dead when a former grocery clerk is recognized as a valuable acquisition to the board of directors of a great Canadian bank. This has been the achievement of Charles Benjamin Shields with his election as a director of the Dominion Bank.



C. B. SHIELDS

When T. P. Loblaw formulated the idea of organizing a chain of retail grocery stores in 1919 he went to C. B. Shields to try and bring him in on the plan. The 35-year-old Shields, a native of Pembroke, Ont., had already spent most of his life from boyhood up in the grocery trade, and at that time was operating a successful retail grocery store in Toronto. He liked Loblaw's idea and decided to join him, bringing his store along with him. That store was one of the two that saw the Loblaw Groceterias Co. organization get its start; it still is being operated as a member of that chain which now has 113 stores throughout Ontario.

T. P. Loblaw was the visionary of grocery chain idea, Shields was the practical merchandiser. In this field he was joined by J. Milton Cork who made a fetish of quality products and cleanliness in grocery presentation. The team of Shields and Cork carried out many new ideas in store management, ideas that have flowered into a continually growing popularity for Loblaw stores in Ontario and ideas that have proved very profitable for Loblaw shareholders. That merchandising team is still together with J. Milton Cork now president of Loblaw's and C. B. Shields vice-president and general manager.

Tall, slim C. B. Shields gets through his day's work with a quick, nervous energy. On the job he likes things done and done well. He has no patience with those who blunder. That trait bespeaks the whole-hearted interest he takes in his work at all times. That devotion to his job has meant that he has had to give up almost altogether some of the pleasures he used to enjoy greatly. He rarely has a chance to go horseback riding any more while his love for fishing is now expressed only in the odd week end he can squeeze in at the farm on the outskirts of Toronto. He does find time, however, to relax occasionally at concerts by the Toronto symphony orchestra and other musical aggregations.

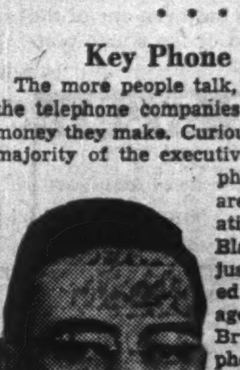
That lack of a chance to indulge in a luxurious let-down has not slowed up Shields. His quick-moving figure is a familiar sight around the Loblaw plant.

His new directorship with Dominion Bank will be added to the one he already holds on the board of Great Lakes Paper. Mr. Shield's interests, however, are not wholly in the business world. He is an active member of the Kiwanis Club and a director of the Y.M.C.A. His paramount interest, of course, still is his wife and four children, one son and three daughters, two of the latter being twins.

• • •

Key Phone Man

The more people talk, the busier are the telephone companies and the more money they make. Curiously enough the majority of the executives in the telephone business are far from talkative. Horace G. Black, who has just been appointed general manager of the New Brunswick Telephone Co., falls into this category. With his clear, concise way of thinking, he talks to the point. But that does not mean that he is abrupt; certainly his listener never gets that impression.



H. G. BLACK

In these days the general manager of the N. B. Telephone Co. holds a key position in the war. Midway between Nova Scotia and Upper Canada, the company forms a highly important link in the communications which control the movement of the huge flow of men and war materials through that very well-known "Eastern Canadian Seaport."

By training and experience Horace Black is well equipped to take over his new responsibilities. All his working life he has been a "telephone man." After graduating from Mount Allison he started as a repair man with the N. B. Telephone Co. at Saint John. This was in 1908 when the company boasted having some 8,000 telephones or about one fifth the number now in service. During the next three years he became successively a draftsman, travelling auditor, plant accountant and purchasing agent.

For 30 years Black held the post of purchasing agent for the company. Then in 1941 he became comptroller. His ability had long since been recognized and, with his thorough grasp of all the ramifications of the telephone business, it was but natural that he should be named to succeed to the post of general manager with the retirement of O. J. Fraser.

• • •

Stop Me If . . . .

First Farm Boy.—The same tornado that blew away my father's wagon dumped an automobile in the front yard.

Second F.B.—That's no tornado. That was a trade wind.

The Financial Post

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Other People's Views . . .

The Canadian Editorial of the Week

Recognition of Women

Toronto Telegram

Premier Conant has spoken of the appointment of the first woman coroner in Ontario as though it were a step up on the ladder by which womanhood has climbed from her former dependent and subservient state. "With the growing importance of women in our social, economic and industrial structure," he has said, "it is fitting that there should be a lady coroner." That, we submit, is piffle. He might better have said that it is fitting we should have a "lady" premier. Why not?

It is not only true that women have growing importance in our social, economic and industrial structure, but they have actually arrived. They have, in some ways, made the mere male step out to keep pace with them.

• • •

As Others See Us . . .

Prairie Grain for Industry

Hawarden (Sask.) Pioneer

The Financial Post recently reported that $69,000,000 would be paid out during the current year in the way of subsidies to the prairie farmers under the various acts.

It was recently reported from Ottawa that the Federal Government have well over $480,000,000 invested in wheat at this time and it is costing the taxpayers about $50,000,000 per year to carry this investment.

The Federal Government have agreed to buy 280,000,000 bushels of the 1942 crops and of this Saskatchewan's share will be approximately 180,000,000 bushels, leaving a surplus of 185,000,000 bushels on the farms. Unfortunately no one now knows what will be done with this huge surplus of the 1942 crop.

Apparently there is at least a partial answer to the surplus problems of western Canada (raw materials for synthetic rubber) and that answer lies within the reach of the people of western Canada. Are we going to wait for someone outside our province to solve our problems? If so, there is sufficient evidence we will be waiting a long time. Now is the time for action—now is the time to go to work. The research work has been done—the road is clear.

• • •

Make Army Attractive

Brantford Expositor

The Financial Post, Toronto, in another of its interesting questionnaires, asks a number of representative citizens, "What would make our Army more attractive to recruits?"

Col. Cockeram hits the nail on the head most accurately when he mentions smartness of uniform and publicizing the activities of Army life and the advantages of Army training.

If it be suggested that the Army authorities have been too busy to look after these matters, the retort proper is: "Have they been any busier than the Navy and Air Force administrations?"

• • •

The Mail-box . . .

"Non-Selective" Service

Editor, The Financial Post:

When the Naval, Military or Air forces want personnel for headquarters, orderly room, or other non-combatant duty in Canada, why don't they fill their requirements through Selective Service, or their Women's Auxiliaries? —instead of collaring men who have been drafted, or who enlist in the face of a draft call.

Within the past fortnight we have lost two men, both married and in their late twenties, and both holding responsible positions. Because of their business training both have been taken for military clerks. The first is physically fit for service anywhere, and the second classified unfit for service overseas. Both are willing to do their duty, but neither sought to get into uniform to perform office work, nor can we accept their departure with the same resignation as if they were really needed to "fight" for our country, or if we were satisfied the authorities had exhausted other possibilities for filling such jobs.

The manager of another company in our same general line of business tells me of a young woman stenographer who volunteered six months ago to be a writer (clerk) in the Women's Naval Service, but she has not yet been called. Again one asks—what is being done, apart from the military call-up of men, with the National Registration of 1940, or the later registration of women?

Another fair question is—are the large numbers who have been and are being, discharged from the forces, combed for clerks, stenographers, and such, or is the "paper war" of such proportions that the demand is ever growing and in excess of the supply?

I am sorry I cannot authorize the publication of our name, or even the nature of our business, since criticism of the authorities is so likely to prove a boomerang, but with Parliament adjourned, the press is one medium of criticism which, thank God, is still fearless.

Your paper has done yeoman work, and perhaps you will call further attention to this business of using the military draft to obtain male clerks to perform work that in anything even approaching a total war effort, must be done by women.

S. M. A. H.

Sayings of the Week

"Fearful epidemics are knocking at Europe's door." — *Dr. Paul R. Cannon, University of Chicago.*

• • •

"It is not necessary, and certainly extremely dangerous, to delegate responsible government."—*Hon. John Bracken.*

• • •

"Our gold mining industry has been built up with too much effort, skill, enterprise and ability, to jettison it now." —*Premier Gordon Conant.*

• • •

"Indo-China was the backdoor to Singapore, a backdoor which we never dreamt would be opened by our Ally against us."—*Field-Marshall Smuts.*

• • •

"Remember that a people whose customs and conduct differ from your own are not to be regarded as queer."—*Advice of U. S. War Dept. to American soldier going to North Africa.*

• • •

"This means that a serious inconvenience has been forced upon the people generally because of the thoughtlessness and selfish actions of a relatively small section of the community." —*Donald Gordon, in announcing butter rationing.*

Battle For Empire Air Routes

Canada, U. S. and U. K. Eye Postwar Picture

By JOHN E. LANGDON

MONTREAL.—Any prospect of British airline interests letting trans-ocean air routes go by default to American lines after the war appears washed out by the public statement of Capt. Harold H. Balfour, British Undersecretary for Air.

Speaking in the House of Commons, Capt. Balfour said Britain and the United States have agreed that after the war "all bets will be off" on Empire air routes which American planes are now permitted to fly for military purposes.

Plans for postwar development in the air field are under consideration already, and Capt. Balfour said: "We are determined to have our place in the air transport system of the world for the British Commonwealth of Nations to link up our interests with those of other nations."

Back of this matter-of-fact statement lies a story of high politics, jockeying for position and high pressure methods by the major airlines to establish themselves in the huge postwar expansion of civil aviation which they envision.

Pan-American Airlines already is a dominant figure in the trans-Atlantic and trans-Pacific air transport and making use of British air bases.

American Export Air Lines also is in the trans-Atlantic business.

Both companies are actively competing in the Southern Atlantic field.

In addition, several American air lines are energetically striving for concessions. Northeastern Air Lines is operating to Newfoundland.

West Coast lines are operating up the coast and through Canada to Alaska, apparently aiming at a trans-Pacific after-the-war business.

British Overseas Airways, the old Imperial Airways, and the other operators are going all-out to consolidate their positions and "rights."

British Overseas Airways which was running regular schedules to Canada, India and elsewhere just before the war, has lost a number of planes and much of its personnel since the war started.

Contrary to a general impression, however, B. O. A. is still running its service on the North Atlantic; its work being tied in with the Royal Air Force Ferry Command.

Need for Equipment

The position of B. O. A. has weakened and in this connection Robert Perkins, Conservative, told the British House of Commons last week that if "Air Control would release 20 Yorks (a new type of machine and still on the secret list) and 10 Sunderlands we could look Pan American Airways in the face."

This is the first official statement admitting that B. O. A. was having a difficult time maintaining its place in the north trans-Atlantic air transport in the face of competition from the American lines.

Canada Also Interested

Also interested in the struggle for control of the trans-Atlantic and trans-Pacific air routes are Trans-Canada Air Lines and the Canadian Pacific Air Lines.

H. J. Symington, president of T. C. A., has more than once announced that the company he heads is interested in overseas traffic and will not brook competition from any privately-owned companies.

The Canadian Pacific Air Lines which recently came into being as a result of an amalgamation of a number of independent operators serving the West, Northwest and Quebec, has been moving warily.

It is undertaking the immediate job of consolidating various routes, equipment and personnel. Publicly it has not evinced any interest in intercontinental air routes, but the company has certain advantages and claims which will be difficult to overlook.

Shippers Keep Watch

Another factor which looms large in the postwar picture are the British shipping interests. It is recognized that for cheapness and the movement of bulk goods, aircraft is still a long way from replacing the steamship. Along these lines it is not without interest that air transport executives in recent months have been "playing down" the position which aircraft will occupy in the postwar world of trade.

The British steamship companies have bluntly told the British Government that their position must be protected in the postwar transport field. They have no intention of spending millions of pounds on replacing ships if they have to compete with government-assisted, unrestricted competition from air transport.

Big Stakes at Issue

A battle royal is developing over the control of postwar intercontinental air routes. The huge air bases built and being built in Canada, Newfoundland, Greenland, Iceland, the British Isles and elsewhere are by no means temporary structures. The minute war is over, they can be converted almost instantly into highly important civil airports.

There will be plenty of equipment, at least for passenger transport, and a plethora of highly trained personnel, as well as a highly developed aircraft industry to back up the new form of transport.

The matter of primary importance is control of the air routes. Capt. Balfour says "all bets are off" with the United States. That is not the end of it; it is only the beginning.

Hold Trump Cards

Intercontinental air routes can only be put on a self-sustaining basis provided their termini are at important centres of population. That is the ace-card which the United States Government holds up its sleeve when the time comes to say who is going to be permitted to fly over this or that route.

In the middle of the struggle will be Canada. The Dominion has a big stake in the postwar intercontinental air traffic. Actually it is the keystone. The Canadian Government is well aware of this and it is not likely to be forgotten when the air routes are being allotted after the war.

C.P.R. PROMOTIONS

The Canadian Pacific Railway announces the appointments of Harold C. James as general passenger agent and Ian Warren (centre) as assistant passenger traffic manager in charge of military and other special traffic, both of Montreal. H. A. Lee (right) has been made general passenger agent at Toronto. These appointments have been made necessary by the retirement on pension of E. F. L. Sturdee, assistant passenger traffic manager.

The Week in Business

Business figures for this week are about evenly balanced between gains and losses. Industries largely serving civilian consumers are showing declines but others which reflect war demands still rise. The pattern is unchanged from that which has become increasingly evident over the past few months and will unfold still further in 1943.

Dominion Government revenue and expenditures hold high levels. War expenditures alone are more than total expenditures a year ago, while the gap between revenues and total expenditures is many millions greater than at this time last year.

Bank deposits in November, according to the index computed by the Dominion Bureau of Statistics, rose to 185.1 from 179.1 in October, and compares with 156.0 a year ago.

Bank debits in November were more than $1.5 billion greater than in the same month of 1941, at just under $5 billions for the month. The cumulative total this year is up almost $6 billions, or 16.2% measuring the accelerated activity of business and probably influenced by Victory Loan payments for November figures.

Employment in manufacturing, as measured by D. B. S. indexes, reached 218.3 at Oct. 1, up three points from Sept. 1, and 33 points above a year ago.

Payroll index based on June 1, 1941, as 100, reached 137.9 at Oct. 1 this year, continuing its upward trend. The payroll gain since June 1, 1941, of 37.9% in this index is more than double the employment gain of 18.6% in eight leading industries.

Newsprint production in November totalled 251,000 tons compared with 300,000 tons in the same month of 1941. For the first 11 months there has been a decline of about 200,000 tons, or 6.1%.

Building permits issued in November were valued at $7.6 millions, down $4.1 millions from a year ago. The cumulative figures for this year show a drop of $16¾ millions, or 14.7%.

	Nov.	Oct.	Sept.	Aug.	Year Ago
Physical vol. of business, D.B.S.*	....	207.2	206.1	205.7	178.7
National Income, D.B.S.•	....	....	646.2	634.2	600.3
Nat. Income Index (1935-39=100)	....	....	190.1	186.5	176.6
▪Dom. war expend. (million $)	209.6	175.9	207.3	173.4	121.2
▪Dom. total revenue (do.)	180.7	203.9	162.4	164.2	108.8
▪Dom. total expend. (do.)	335.5	357.4	318.9	301.3	171.5
Retail sales index no.	....	151.8	152.2	162.9	138.1
Dept. store sales index no.	....	153.1	152.7	154.5	136.5
Wholesale sales index no.	....	....	177.7	157.4	171.2
Country store (% change pr. yr.)	....	+16.7	+12.6	+10.0	+8.1
Divd. payment indexǂ	123.1	123.3	123.5	123.5	119.3
▪Bank deposits (1926=100)	185.1	179.1	170.1	163.0	156.0
Cash and cheque pay. index	....	161.3	139.7	138.6	139.7
Bank debits (1935-39=100)	....	135.7	134.5	136.0	120.8
Money supply (c)	....	4,120	3,927	3,772	3,503
NEWSPRINT % OF CAPACITY—					
Production ratio	....	70.6	72.4	68.4	84.1
Shipment ratio	....	76.9	82.1	69.0	80.3
RAILWAY FREIGHT LOADINGS—					
▪Tons	137.2	134.5	127.1	163.0	139.6
▪Cars	126.5	124.6	117.4	129.6	124.4
COST OF LIVING—					
D.B.S. index	118.6	117.8	117.4	117.7	116.3
EMPLOYMENT INDEX Nos. D.B.S.—					
▪All industries	....	181.3	179.3	177.8	165.8
▪Manufacturing	....	218.3	215.5	212.4	184.9
▪Payroll (June 1/41=100) (b)	....	137.9	135.5	131.8	113.3
Payroll index (a) (1937=100)	....	222	210	202	189

			Jan. 1 to date		
	1942	1941	1942	1941	% Change
RAILWAYS—					
▪Car loadings (week Dec. 12)	66,804	62,886	3,261,418	3,082,690	+5.8
▪C.P.R. gross (week Dec. 14) $	5,478,000	4,767,000	244,250,000	209,673,000	+16.5
▪C.N.R. gross rev. ... (Nov.) $	21,860,000	27,292,966	338,695,000	276,365,487	+22.6
▪C.N.R. net rev. .... (Nov.) $	6,602,144	5,719,863	78,266,506	60,347,891	+29.6
C.P.R. gross rev ... (Oct.) $	22,799,232	21,576,652	209,925,848	180,034,146	+16.5
C.P.R. net rev. .... (Oct.) $	5,718,182	5,937,888	37,723,925	35,665,559	+5.7
IRON AND STEEL—(October)—					
Pig iron production (tons)	175,424	153,568	1,640,055	1,212,089	+35.3
Steel production ... (tons)	271,127	249,595	2,580,715	2,208,538	+16.7
CONSTRUCTION—					
Contracts awarded (Nov.) $	22,085,000	22,889,500	271,985,200	374,881,400	—27.5
▪Building permits .. (Nov.) $	7,624,195	11,729,291	97,257,153	114,008,464	—14.7
Cement prod., bbls. (Sept.)	1,094,838	1,008,741	7,044,327	6,281,340	+12.1
AGRICULTURE—					
Flour prod., bbls. .. (Oct.)	1,851,062	1,595,931	16,724,160	17,229,463	—2.9
Cattle sales▲ .... (Nov.)	150,695	131,067	1,063,884	1,123,504	—5.3
Hog sales▲ .... (Nov.)	612,310	686,666	5,505,879	5,420,030	+1.5
SEA FISHERIES—‡					
Catch, cwts. .... (Sept.)	1,442,100	1,343,500	8,395,100	8,501,200	—1.2
Landed value ...... (Sept.) $	6,557,900	3,156,000	25,834,100	20,762,500	+24.4
NEWSPRINT—					
▪Production, tons ... (Nov.)	251,147	300,308	2,932,911	3,125,042	—6.1
Exports, tons ...... (Oct.)	277,925	285,893	2,541,104	2,652,623	—4.2
MINING AND OILS—					
Coal prod., tons ... (Oct.)	1,588,595	1,903,605	15,485,837	14,583,021	+6.2
Gold rec., fine oz. ... (Oct.)	380,144	443,884	3,928,015	4,264,487	—7.9
▪Petroleum prod., brl. (Oct.)	859,895	871,491	8,665,941	8,370,968	+3.5
ELECTRIC POWER OUTPUT—(October)—					
Total monthly, 1,000 kw.h.'s	3,166,186	3,140,317	30,680,557	27,040,578	+13.5
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. ... (Oct.)	2,992,325	3,141,512	27,664,545	26,975,064	+2.5
▪Cotton consump., lb. (Nov.)	16,064,484	16,647,670	179,903,951	182,238,790	—1.2
Cigarette cons., No.† (Oct.)	1,010,451	844,292	8,232,279	7,107,784	+15.8
FINANCE—					
▪Bank debits† .... (Nov.) $	4,966,558	3,426,906	41,331,641	35,556,411	+16.2
Bond sales† ...... (Oct.) $	270,453	341,700	3,109,132	2,172,786	+43.1
Life insurance sales . (Oct.) $	57,795,000	41,740,000	437,204,000	336,759,000	+29.8

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. †000 omitted •Millions of dollars.
ǂSupplied by Nesbitt, Thomson & Co *1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

★ FOOD PROCESSING PROBLEMS
NUTRITIONAL INVESTIGATIONS

ONTARIO
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43 QUEEN'S PARK, TORONTO

New Books

An Industrialist Writes a Book

Yendall's "Common Problem" is Strong Statement

THE COMMON PROBLEM by William R. Yendall, Published by The Ryerson Press, Toronto, Price $2 cloth, $1 paper.

Mr. Yendall, head of a Canadian manufacturing enterprise, here sets forth in some 340 tight-packed pages his beliefs on most major issues of current public concern and a sizeable body of interesting statistical fact to support his main contentions.

Every line of the book indicates passionate sincerity and conviction, wide and careful reading and very considerable capacity for clear expression and telling phrases.

Importance of the book is that Industrialist Yendall says what perhaps 98% of Canadian industrialists say to themselves or wish they could say as well. As somebody has said, literary achievement is largely application of the seat of the trousers to the seat of the chair and Mr. Yendall's book will have historic value for the picture it gives of a 1942 industrialist's point of view on most of the topics then concerning them.

Mr. Yendall summarizes his conclusions as follows:

"The cleavages and antagonisms that bother us so much (as members of the Canadian nation) are mostly based on misunderstandings, lack of information or shortsightedness. We have examined ten of the most contentious issues in current Canadian opinion and have found no structural weakness, no essential injustice, no fundamental defect in any of them. There is nothing in all of them that need cause an hour's ill-will in any part of Canada, toward any group in Canada.

Stronger Than Supposed

"The second outstanding fact is that the Canadian economy is much sounder and stronger than most of us had supposed. The progress made by the Canadian people as a whole and by every group during the past half century in spite of depressions and wars, a progress which in proportion to population has not been exceeded by that of any other country during the same period, is sufficient evidence to practical people that the Canadian economy is sound and favorable to further progress."

Mr. Yendall is an optimist. Further, he is a rationalist to whom two and two never make anything but four.

Here are a few quotations indicating the scope of the book and the author's point of view:

On Crises and Depressions he says that the primary responsibility of each citizen is to protect himself and his family by systematic saving. "There are few workers who cannot save at least 5% of their earnings and they should be encouraged and assisted to do so by their employers wherever possible."

"Most so-called national problems are one-tenth national and nine-tenths local. . . . Yet there were very few cities in Canada where local employers organized to see what could be done by local effort. It was a grievous oversight. If and when the next reaction arrives, concerted local effort under the leadership of the ablest men in the community should lead the way . . .

Employers' Council

"There is need for a National Employers' Council with provincial divisions and local branches in every city . . . The cost of operation would be saved a hundred times over. Government cannot do this job as effectively nor as inexpensively as business but somebody will have to do it before long."

On tariffs; "Let us recognize our customs tariff for what it is, an indispensable item in the Canadian economy, with four functions, revenue, protection of Canadian industries, a first line of defense in control of foreign exchange and a bargaining device for protecting and increasing export business — beneficial directly or indirectly to every group—because we are a nation—and because the total national income controls the wealth and prosperity of all of us."

On employer-employee relations: "Where employers are fair, foremen sensible, employees reasonable and agitators absent, employer-employee relations involve no difficulties at all. The vast majority of Canadian employers and employees are in this group . . . There are still too many shortsighted employers who consider it good business to 'buy labor' with as little money as possible, and who have no regard for the interests and well-being of their employees. In this respect they are on a par with employees who buy wages with as little work as possible and have no regard or the interests and well-being of their employers. Unions undoubtedly have their place and function under such circumstances."

The Planned Economy

On the planned economy: "It is easy to agree that everything should be planned, that nothing can succeed without a plan. But it is too often overlooked that individual initiative is itself a plan, free enterprise is a plan, voluntary association with freedom of contract is a plan—the best plans of all, the plans to which we always return after other schemes have failed.

"Think of the complexity of one day's activities of the Canadian people — thousands of different vocations, the dissimilarity of conditions in city and village and farm and factory, in stores and banks. Then glance at the shifting needs and desire of eleven million individuals, changing daily and with every wind, every individual with a mind of his own and a will of his own—a jigsaw puzzle of eleven million people, each one claiming the right to find his own place in the picture. That is not a job for statistics and specifications and iron-bound regulations treating everybody alike. But there are thousands of technocrats and social planners who are just itching to try it. They often accuse industrialists of having a lust for power, but lust for power is far more common among those who clamor for a new social order in which they generally envisage themselves clothed with authority. They prate about democracy, but they have no confidence in the intelligence or judgment of the common man. They merely want his vote to authorize them to order his life for them. . . . ."

"Under centralization (of authority) one mistake of judgment brings disaster to a whole industry, to a whole nation. In a free decentralized economy mistakes are scattered and have little general effect."

The Canadian who reads and digests Mr. Yendall's book will be a much wiser, better citizen and Canadian.

International Paper Co.—A special offering of 65,527 common shares of I.P. was made on the New York Stock Exchange last week, at $7.75, with 40c. commission, by Hemphill, Noyes & Co. There were 422 purchases through 78 firms.

Municipalities Aid Charities

Contributions Closely Checked by Dept. of Municipal Affairs

Organized war charities are continuing to find financial support from Ontario municipalities. These contributions are closely checked by the Department of Municipal Affairs. Under section 404A of the Municipal Affairs Act cities, towns and counties may receive authorization from this department to aid charities under the War Charities Act.

The usual procedure is for the municipality to appropriate a certain sum for this purpose when the annual estimates are made up. The department checks into the whole affair and if the municipality is in a sufficiently good position to meet the expenditure and the charity is properly registered then approval is given. The department also reviews the by-law dealing with actual distribution of individual amounts as they arise during the year. The levy for charitable purposes is included with the general tax levy for all the other municipal purposes.

Some municipalities recently have been carrying out salvage campaigns and funds derived from these activities have in some cases been turned over to charity.

Here's Food for Thought!

Canada's farm market today is more stable and prosperous than ever before — a market that becomes increasingly important on your sales schedule as the tempo of farm produce demand is stepped up.

You can hire the Family Herald and Weekly Star as top salesman to contact Canada's rural market from coast to coast. The Family Herald's 300,000 circulation represents more than 1,250,000 readers.

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Year-End Valuations of Securities

Towards the end of each year many people draw up their own personal balance sheets to determine what they own and what they owe.

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Fluorescent Lamps . . . the closest approach to real daylight . . . new in principle . . . with almost unlimited possibilities

Light produced in an entirely new and different way . . . light that presents possibilities never afforded by any previous source of illumination . . . the revolutionary Mazda *Fluorescent Lamp* —one of the greatest developments in the history of lighting!

This lamp is like no other light source. It gives *cool* light. It gives notably *glare-free* light. It is naturally *diffused* and so minimizes shadows. The "White" Fluorescent Lamp meets the needs of most commercial and industrial applications — the "Daylight" Fluorescent Lamp provides the closest practical approach to daylight. But that is not all. *The Mazda Fluorescent Lamp is by far the most efficient light source yet developed!* It provides more light than was ever thought possible—yet it conserves electricity!

In scores of Canadian war plants, G-E Fluorescent Lighting is already making seeing faster . . . speeding output . . . preventing spoilage . . . eliminating eye-strain and reducing fatigue.

Wartime Prices and Trade Board Administrator's Order A-401 restricts the manufacture and sale of commercial and industrial lighting fixtures. In the majority of cases, it is necessary to obtain permission in writing from the Administrator for the use of fluorescent lighting equipment. In addition, priority ratings are usually required.
For further information, contact your nearest C.G.E. office.

GENERAL ELECTRIC
★ Fluorescent Lighting

L-1942

CANADIAN GENERAL ELECTRIC CO.
LIMITED

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

STOCKS TRADED THIS WEEK

WEEK ENDING DECEMBER 21

Range 1942 High	Low	Div R'te $	Dec19 Y'ld %		Sales	Last Dec. 14	Week end. Dec. 21 H	L	Cl'se
				A					
.85	.40	.	...	Abitibi	2185	.60	.85	.65	.70
7	3½	.	...	Do. pref. 6%	2260	4½	5½	4½	5½
25	13	.	...	Do. pref. 7%	155	13½	15	13½	14½
4	3	.	...	Acme Glove, c.	25	3	4	4	4
13	11	.80+.20	9	Agnew Surp. c	20	11	11	11	11
2.00	.50	.	...	Alta. Pac. Gr.	1133	1.50	2.00	1.00	1.00
47	21½	.	...	Do. pref.	1482	37½	47	38½	46
9½	7½	.	...	Algoma Steel	541	8½	9	8½	9
85	79½	5	5.9	Do. pref.	5	81	85	85	85
110	80	8+2	9.2	Aluminum, c.	540	104	110	106	107
7½	6	.50	...	Amal. Electric.	1	6	6	6	6
45	40	2.75	6.5	Ang. Can. Tel p	25	42	42	42	42
22	16	1.40	5.8	Asbestos	484	21	21½	21	21
15½	14½	1.02	...	Assoc T & T p	50	14½	15½	15½	15½
				B					
189	124½	6	4.3	Bk. Montreal	13	140	141	140	141
275	212	10	4.5	Bk. N. Scotia	2	223	222	222	222
255	200	10	4.4	Bk. Toronto	5	215	225	225	225
21	12	.	...	Barker's Br'd p	10	18½	21	21	21
14½	10½	1+.50	10.5	Bathurst Pr.	1311	14	14½	13½	14
3½	1	.	...	Do. (B)	100	2	3½	3½	3½
15	6½	.25	...	Beatty Bros. A.	140	14	14½	14	14
110½	76	7	6.4	Do. 2nd pref.	25	110	110	110	110
9½	9½	.	...	Beauharnois	243	9½	9½	9½	9½
150½	123	8	5.7	Bell Telephone.	608	142	141	140	140
7½	6	.30+.10	..	Bertram & Sons	10	6½	6½	6½	6½
7½	6	.60	10	Biltmore Hats	70	6	6½	6	6½
4½	2½	.	...	Blue Ribbon, c	250	4	4½	4	4½
24½	20½	1.30	5.3	Brant. Cord. pf.	650	24	24½	24½	24½
14½	6	1	7	Brazilian Tr.	20500	12½	14½	12½	14½
5½	3½	.50+.10	5	Brew. & Distil.	245	5½	5½	5	5½
18	13	1	5.8	Brit. Amer. Oil	1948	17½	17½	17	17½
18½	12	1.50	...	B. C. Packers	405	17	18½	18	18
23½	17	2	8.9	B. C. Power A.	185	22½	23½	22	23½
2.00	.75	.	...	Do. (B)	100	1.75	2.00	2.00	2.00
5½	4½	.40	...	Bruck S. Mills.	250	5½	5½	5	5½
14½	11	.70+.10	5.7	Building Prod	810	13½	14½	13½	14½
8½	7½	.60	6.8	Burlington Stl	400	8½	8½	8½	8½
				C					
23½	21½	1.50	6.5	Caldwell L. 1 p	60	22	23	22½	23
9½	8½	.80	9.4	Do. 2nd pref.	20	8½	8½	8½	8½
102	97½	6	6.1	Calgary Pwr p	10	99	99	99	99
46	30	2.50	6.9	Canada B'd p B	25	34	38	36	38
5	3½		...	Canada Cement	767	4½	5	4½	5
102	90	6.50	6.9	Do. pref.	62	95	94½	94	94
20½	13	1.15	...	C. & D. Sugar.	1270	17	18	17½	18
26	15	1.50	6.2	Can. Forg. (A)	605	22	26	22	25
38	32	2+.50	6.7	Can. Malting	210	37	37	36	36
7½	4	.60	7.7	Can Nor. Pr.	525	6½	7½	6½	7½
88	73½	7	8.7	Do. pref.	55	76	80	80	80
87	74½	4	5.1	Can. Packers	85	77½	79	77½	79
9½	5	.	...	Can. Steamsh's.	1323	9½	9½	9	9½
32	25½	2.50	7.9	Do. pref.	893	31½	32	31	31½
58	48½	4	6.9	Can. W. Cable	55	57	58	57	58
24½	14	2	9.5	Do. (B)	70	18½	21	19½	20
108	104½	6.50	6	Do. pref.	41	107½	107½	107½	107½
65	48½	8.75	...	Can. Bakeries p	145	65	65	65	65
154	115	6	4.6	Can. Bk. Com.	115	128	129	128	128½
1.45	1.00		...	Can. Breweries	744	1.30	1.30	1.25	1.30
31	25½	3.40	12.3	Do. pref.	229	27	28	26	28
33	27½	1.50+.50	6	Can. Bronze, c	25	32	32½	32½	32½
22	16	1+.20▪	6	Can Canners 1 p	183	20	20	19½	19½
10½	8	.60+.20▪	8	Do. 2nd pfd.	525	10	10½	10	10
8½	4½	.	...	Can. Car & F'y	3160	8½	8½	7½	7½
29	21½	1.75	6.1	Do. pref.	1405	28½	29	28½	28½
28½	21½	1+1	7	Can. Celanese	1460	27½	28½	27½	28
135	118½	7+1.15▪	6	Do. pref.	110	135	135	135	135
18	15	2	11.1	Can. Convert.	50	17	18	18	18
26½	13	2	7.4	Can. For. Inv. c	175	25½	26½	26	26
7½	6½	.50	6.4	Can. G. Inv.	5	7½	7½	7½	7½
4½	3	.35	...	Can. Ind. Alc.	1755	4	3½	3½	3½
4½	2½	.35	...	Do. (B)	260	4	3½	3½	3½
167	127½	5.75	...	Can. Indust. B.	70	140	147	146	147
13½	12	1	7.4	Can. Lt. & Pr.	7	12½	13½	13½	13½
11	6½	.	...	Can. Locomo.	74	8	11	10	11
.90	.45	.04	...	Can. Marconi	700	.75	.80	.75	.75
15	11	1+.20	8½	Can. Oil, c	100	12½	14	14	14
8½	5	.	...	Can. Pacific	18053	7½	8½	7½	8½
1.50	.40	.	...	C. Pr. & P In p	10	1.25	1.50	1.50	1.50
3½	2	.	...	Can. Vickers	427	3½	3½	3½	3½
27½	20	.	...	Do. pref.	80	24	26	23½	26
13	8	1	...	C. Wallpaper B	20	10	13	13	13
42½	34½	2	5.2	Can. West'ho'se	95	38	38½	38½	38½
3½	1½	.	...	Ch. Gai Wines.	10	2½	1½	1½	1½
.20	.05	.	...	Chem. Research	6200	.12	.14	.11	.11
.05	.05	.	...	Claude Neon	50	.05	.05	.05	.05
1.42	1.00	.12	...	Coast Brew.	1600	1.16	1.17	1.15	1.15
9	4	.50	...	Cockshutt Plow	1015	8½	9	8½	9
2.87	1.90	.15	...	Comm. Alcohol	325	2.87	2.87	2.75	2.75
6½	5½	.40	6.2	Do. pref.	50	6	6½	6½	6½
10½	8½	.60	6	Cons. Bakeries.	100	10	10	9½	9½
.15	.01	.	...	Cons. Div. Sec.	46	.15	.05	.02	.02
7½	4½	.75	...	Do. pref.	18	5½	6	5½	6
3½	1½	.	...	Cons. Paper	21821	2½	3½	2½	3½
81½	72	3.50	...	Cons. Sand, pf.	100	72	80	80	80
39	32	1+1.50	6.4	Cons. Smelt.	1130	36½	38	36½	37½
132	109	8	6.8	Consumers' Gas	24	116	120	116	120
23	18	1.20+.15	6	Cosmos Imp.	30	21	21½	21	21½
31	10	.	...	Cres. Cream p.	10	30	31	31	31
25	20	2	8.7	Crown Cork	50	25	23	22	22
.60	.35	.	...	Cub Aircraft	150	.60	.60	.60	.60
				D, E					
10½	8	1+.15	13	David & Fre. A	130	9½	9½	9	9
1.50	.50	.	...	Do. (B)	40	.50	.75	.75	.75
27½	21	2.22	8.2	Distill-Seagram	2475	27	27½	26½	26½
97½	90	5	5.2	Do. pref.	550	95	96½	95½	95½
181	135	8	5.6	Dom. Bank	34	143	143	142	143
24½	20	1.20	5	Dom. Bridge	532	23	24½	23	24½
15½	9½	.	...	Dom. Coal, pf.	675	12	12½	12	12½
25	17	.	...	Dom. Engineer.	10	20	21	21	21
21½	16½	1+.25	5.7	Dom. Foundr's.	505	20½	21½	21	21½
107½	103½	6	5.6	Do. pref.	80	107½	107½	107½	107½
154	150	7	4.5	Dom. Glass, pf.	2	152	154	154	154
25	20	1.20+.40	7	Dom. Oilcloth.	550	24	24	23½	23½
1½	1½	.	...	Dom. Square	12	1½	1½	1½	1½
9½	4½	.	...	Dom. St. & C.B.	11878	8½	8½	7	8½
6½	3½	.20	...	Dom. Stores	267	5½	6	5	5½
6	3	.	...	Dom. Tar & Ch.	2570	5½	6	5½	5½
90	83	5.50	6.2	Do. pref.	60	90	89	89	89
82½	66	5	6.7	Dom. Textile, c	147	72	75	73	75
2.50	.70	.	...	Dom. Woollens.	236	2.00	2.50	2.12	2.50
8½	6½	.60	6.8	Do. pref.	625	6½	9	8½	8½
5	2	.	...	Donnacona P.	2560	3½	5	3½	4½
6	3½	.	...	Dryden Paper.	1914	4½	5½	4½	5½
13½	6½	.	...	East Dairies pf.	565	12	13½	11½	13½
3½	2½	.	...	Easy Washing	100	3½	3½	3½	3½
29½	19	2.50	10.4	English Elec. A	15	22½	24	24	24
				F, G					
3½	1½	.25	...	Fairchild Air	255	2½	2½	2½	2½
22½	15	1.50+.25	5	Fanny Farmer	86	22	21½	21	21
3½	2½	.	...	Fleet Aircraft	785	3½	3½	3½	3½
20½	14½	1	5	Ford Motor A.	3101	19½	20½	19½	20
16½	12	▲1.20+.50		Foundation Co	360	16	15½	15½	15½
13	7	.	...	Fraser Cos.	105	11½	12	11½	12
13½	7½	.	...	Do. Vot. Tr.	951	11½	13½	11½	12½
8	4½	.60	8	Gatineau Pwr.	547	7½	7½	7	7½
80	61½	5	6.3	Do. pref.	181	79	80	76	80
90	70	5.50	6.4	Do. 5½% pref.	25	81	90	85	90
7½	5	.50	6.4	Gen. St. Wares.	1363	7½	7½	7½	7½
96	82	7+.53▪	8	Do. pref.	127	96	95	94	94
67	31½	2.50+2.50	8	Goodyear Tire.	30	65	62	62	62
51½	39	2.50	4.9	Do. pref.	55	51	50½	50½	50½
2½	1	.	...	Gt. L Pa V tr c	232	2½	2½	2½	2½
16½	11	1.50	...	Do. Vot. tr. p	88	13½	13½	12	12½
11½	9½	.60	6	Greening Wire	80	9½	10	10	10
5½	2	.	...	Gurd, Chas., c.	75	5	5½	5½	5½
5½	2½	.	...	Gypsum, Lime.	2805	4½	5½	4½	5½
				H, I					
14½	13½	1	...	Halifax Fire	100	14½	13½	13½	13½
5½	2	.	...	Ham. Bridge	1058	4½	5	4½	4½
1.50	.65	.	...	Ham U Theat. c	200	1.00	.65	.65	.65
14½	9½	1	6.9	Hinde & Dauch	200	13	14½	14½	14½
21½	16	2	9.5	Honey Dew	100	20	21	21	21
14	8	.	...	H. Smith Pap c	1355	11	12½	11½	12½
55	46	4	7.7	Huron & E. Mt.	28	52	52	52	52
8	7	.80	...	Do. 20% pd.	20	7½	7½	7½	7½
204	145	8	5	Imperial Bank.	2	158½	160	160	160
10½	7½	.50	4.7	Imperial Oil	4665	10½	10½	10½	10½
12½	9½	.40+.17½	5	Imperial Tob c	646	11½	11½	11	11
7½	6½	6%	...	Do. pref.	435	7½	7½	7	7
12½	6½	.25	...	Indust. Accept.	500	12	12½	12½	12½
12½	10	.80	...	Inter. Bronze, c	70	11	12	11	12
30	25	.03	...	Int. Coal & C.	2175	30	29½	27	29½
11	5	.	...	Int. Metal Ind.	603	9½	11	9½	11
99	85	6+5▲	6.7	Do. pref.	182	90	90	90	90
92	85	6+5▲	6.7	Do. pref. A.	39	87½	91	87½	91
36½	29	2	5.9	Int. Nickel	7620	32	34	32	33½
2.25	1.05	.	...	Int. Paints, c.	35	2.00	2.00	2.00	2.00
16½	11	1	6	Int. Pete.	3613	15½	16½	15½	16½
6	2	.	...	Int. Power	125	6	6	6	6
95	85	7+3▲	7.4	Do. pref.	15	95	95	95	95
.20	.03	.	...	Int. Util. (B)	810	.15	.12	.10	.12
				J, K, L					
10	5	.	...	L. St. John Pr.	50	8½	.10	8½	10
20½	14½	1.20	6.1	L. of Woods c.	75	20	19½	19½	19½
23	19½	2	...	Langley's, pref.	5	20	20	20	20
10½	6½	.80	8.4	Laura Secord.	125	9½	9½	9½	9½
7	5	.	...	Lindsay, C. W.	160	7	7	6½	7
25½	19	1+.25	6.2	Loblaw (A)	475	20½	20½	20	20
23½	17½	1+.25	6.7	Do. (B)	110	18½	19	18½	18½
				M					
65	60	5	...	Mackin. Steel p	50	60	60	60	60
16	11½	1	...	Maclaren Pr.	3025	15	15½	15	15½
4½	1½	.	...	Maple Leaf M.	2420	4	4½	4	4½
11	3	.	...	Do. pref.	2321	10	11	10	10½
5½	2½	.	...	Massey-Harris	4748	5½	5½	5½	5½
15	10½	1.25	...	Do. pref.	2180	14½	15	14½	14½
6½	2½	.15	...	McColl Fron. c.	281	5½	6	5	6
6½	5	.60	10.4	Melchers, pref.	45	6	5½	5½	5½
4½	2	.	...	Mercury Mills	200	3½	4½	4½	4½
16½	10½	2	12.5	Mitchell, Robt.	1295	15	16½	16	16½
24½	19½	1.50	6.1	Mont. L. & Pr.	1376	23½	24½	23½	24½
50½	48½	.	...	Do. Notes	2	48½	48½	48½	48½
17	11½	1.25	...	Mtl. Ref. & S p	10	17	17	17	17
24	12	.	...	Montreal Trams	110	24	24	23	23
45	39	2.22+.66▲	6	Moore Corp.	725	42½	44	43	44
178	158	7	4	Do. pref. (A)	80	174	175	174	175
.25	.10	.	...	Muirheads, c.	30	.25	.25	.25	.25
				N, O					
26½	21½	2	8	Nat. Breweries	547	26½	26½	25	25½
40	35	1.75	5	Do. pref.	210	38	35	35	35
10	8	.	...	N. Sew. Pipe A	13	9½	10	10	10
37½	27	2	5.3	Nat. Steel Car	2170	36½	37½	36½	37½
3½	2	.	...	Noorduyn Av.	50	3½	3½	3½	3½
1.00	.25	.	...	North Star Oil	1000	.90	1.00	1.00	1.00
4	2½	.35	8.7	Do. pref.	50	3½	4	4	4
24	17½	1	4.4	Ogilvie Flour.	475	24	23	22½	22½
155	151	7	4.6	Do. pref.	135	152	151½	151	151½
35	30	3	...	Ont. Silknit, pf.	10	34	35	35	35
5	2½	▲.20	...	Ott. Car Air	200	4½	4½	4	4½
24	12	2+.20	...	Ottawa El. Rly.	15	22	24	24	24
7	4	.60	8.5	Ott. L. H. & Pr.	1020	5½	7	6	7
82	78	5	6.2	Do. pref.	20	82	81	81	81
				P, Q, R					
103	85	5	5.7	Page Hersey	115	88	89	86½	89
5½	2½	.30	...	Power Corp.	1460	5½	5½	5½	5½
85	73	6	7.5	Do. pref.	69	78	81½	80	81½
34	30	3	8.8	Do. 2nd pref.	35	33	34	34	34
4½	3	.	...	Pressed Metals.	460	4	4½	3½	4½
11	6	.	...	Price Bros.	1485	8½	10	8½	9½
70	54	5.50	9.2	Do. pref.	60	57	60	60	60
6½	4½	.40	6.4	Prov. Transport	400	6½	6½	6½	6½
14½	11	1	6.9	Quebec Power.	591	13½	14½	13½	14½
80	66	6½+1.62½▲		Reliance Gr pf.	10	78	80	80	80
155	115	6	4.7	Royal Bank	164	127	128	127½	128
15½	12	.80	5.3	Russell Indust. c	145	12½	15	15	15
				S					
106½	103	5.50	5.2	Saguenay Pr. p.	5	105½	105½	105½	105½
8	6	.	...	Sarnia Br. (A).	25	7	7	7	7
17	12	.90	5.4	Shawinigan Pr.	2481	16½	17	16½	16½
13½	7	.60	4.6	Sher. Wms.	250	12½	13	12½	13
115½	108	7	6.3	Do. pref.	8	110½	111	111	111
7½	3½	.	...	Simpson, A.	115	6	7½	7	7
3½	1	.	...	Do. (B)	1	3½	3½	3½	3½
89	65	6.50	7.9	Do. pref.	301	77	84	77	84
10½	8½	.80	7.8	So. Can. Pr.	55	10½	10½	10½	10½
103½	99½	6	5.8	Do. pref.	30	102½	103½	102½	102½
2.00	.95	.	...	St. Law. Corp.	4242	1.35	1.90	1.40	1.90
15½	8½	1+.50	7.4	Do. (A)	1010	11½	13½	11½	13½
122	115	7	6	St Law Flour p	5	115	115	115	115
43	24½	3+.75	8.7	St. Law. Pap. p	205	30	34½	33	34½
12	9	.	...	Stand. Chem.	51	10	9½	9½	9½
1.15	.35	.	...	St. Pav. & Mat.	1285	1.00	1.20	.95	1.20
6½	4	.31½	...	Do. pref.	65	6	6½	6½	6½
4	3	.40	10	Stand. Radio	2155	3½	4	3½	4
63½	57	3	5	Steel of Canada	322	60	61	60	61
70½	65	3	4.5	Do. pref.	340	66	67	63½	67
.25	.15	.	...	Stop & Shop	20	.25	.15	.15	.15
				T, U, V					
11½	8½	.80	7.6	Tamblyn	125	10½	10½	10½	10½
8½	4	.30	...	Tip T. Tailors c	100	6½	7	7	7
1.75	1.00	.	...	Tooke Bros.	20	1.75	1.75	1.75	1.75
25½	11	.	...	Do. pref.	50	25	25½	25	25½
76	63	4	5.9	Tor. Gen. Tr.	5	68	68	68	68
152	147	7	4.6	Tuckett Tob. p	12	152	151	151	151
10½	4	.	...	Union Gas	1818	5½	6½	5½	5½
36	29	3	9.4	United Fuel, pf.	90	32½	32½	31½	32½
3½	2½	.	...	Do. (B) pref.	110	3½	3½	3½	3½
12½	10	1	8.2	Un. Grain Gr A	8	12½	12½	12½	12½
4½	2½	.	...	United Steel	2305	4	4½	4	4½
				W, Y, Z					
50	35	4	8	Wabasso Cot.	150	48	50	49½	49½
50½	40	4	8.3	Walker-Good.	1600	48	49	47½	47½
21	18	1	5.2	Do. pref.	620	19½	19½	19½	19½
1.30	1.00	.05	...	Walkerville Br.	34	1.30	1.25	1.20	1.25
2.70	1.75	.20	...	Western Brew.	120	2.65	2.65	2.65	2.65
3	1	.	...	West C. Flour.	607	2½	2½	2½	2½
38½	18	.	...	Do. pref.	88	36	36½	36	36½
10	6	.50	...	Western Steel.	50	8	8	7½	7½
12	9½	.80	6.7	Weston, Geo. c	420	11½	12	11½	12
3.50	.85	.	...	Winnipeg El. A	1669	2.87	3.12	2.87	3.00
3.25	.60	.	...	Do. (B)	104	2.50	3.00	2.00	3.00
22	5½	.	...	Do. pref.	505	20	22	20	22
80	67	7	10	Wood, A. & J. p	5	69	70	70	70
12½	10½	.80	6.4	Zellers, c.	100	12½	12½	12½	12½

▲On account of arrears. ▪Participating. ♦Paid in 1942.

Mining Stocks

Week Ending December 21

Range 1942 High	Low	Div. Rate $	Dec. 19 Yield %	Company	Sales	Last Dec. 14	Week Ending Dec. 21 High	Low	Close
				A, B					
.16½	.05	...	...	Aldermac	18,700	.07½	.08½	.07	.08
2.55	1.75	.20	7.8	Anglo-Hur.	1,100	2.45	2.55	2.50	2.55
.29	.20	...	...	Argus Int.	50	.27	.29	.29	.29
.04½	.01	...	...	Ashley	500	.03	.03	.03	.03
1.47	.75	.16	12.4	Aunor Gold	1,516	1.22	1.30	1.25	1.25
.08	.02	...	...	Bagamac	3,050	.08	.08	.07½	.08
.05½	.02½	...	...	Bankfield	5,000	.02½	.04½	.02½	.04
.09½	.05	...	...	Base Metals	2,000	.07½	.07½	.07½	.07½
.05½	.02	.01	...	Bayonne	16,000	.04	.05	.04	.05
.12	.02½	...	...	Bear Expl.	106,750	.08½	.12	.08½	.11
.94	.46	.13	...	Beattie Gold	800	.65	.66	.64	.64
.10	.04	...	...	Bidgood K.	5,008	.08½	.08½	.07	.07
.12½	.04½	...	...	Bobjo	2,900	.07½	.08	.07½	.07½
.32½	.08	...	...	Bonetal G.	11,000	.07½	.08	.07½	.08
9.30	4.40	1.20	*17.2	Bralorne	1,570	6.75	7.00	6.60	6.65
.00½	.00½	...	...	Brett Treth.	5,500	.00½	.00½	.00½	.00½
.61	.21½	.06	...	Brouian P.	12,950	.38	.43	.37½	.43
2.80	.90	...	...	Buffalo Ank.	2,700	1.51	1.55	1.48	1.50
.03½	.01	...	...	Buff. Can.	1,000	.02	.03	.03	.03
12.50	5.00	3.00	...	Bulolo Gol.	150	10.50	10.37	10.25	10.37
				C, D, E, F					
.49	.20	.08	20.2	Can. Mal.	300	.40	.40	.39½	.40
1.72	.56	.15	...	Cariboo G.	11,000	.80	.80	.72	.72
.60	.45	...	...	Castle Treth.	1,100	.56	.49½	.49½	.49½
.05	.02	...	...	Cen. Cad.	3,000	.03	.05	.04	.05
1.30	.45	.15	...	Cen. Pat.	1,000	.75	.78	.75	.78
1.50	.36	.02½	...	Chesterville	5,400	.55	.55	.51	.53½
1.10	.50	...	...	Coast Copper	250	.92	1.10	1.08	1.10
.74	.44	.09	...	Cochenour	10,600	.64	.69	.64	.69
1.15	.50	.10	...	Coniagas	100	.50	.61	.61	.61
.94	.35	.13	...	Coniaurum	300	.66	.68	.68	.68
.06	.02	...	...	Denison N.	2,100	.03½	.03½	.02	.02
18.50	10.37	1.60	8.8	Dome Mines	584	18.00	18.50	17.50	18.50
.10	.02½	...	...	Duquesne	1,500	.04	.04	.03½	.04
2.24	1.35	†.05	...	East Mal.	13,000	1.05	1.04	1.01	1.03
.80	.32	...	...	Eldorado	17,190	.65	.80	.64	.75
3.60	2.20	†.15	...	Falconbridge	940	3.00	3.30	3.20	3.25
.02½	.01	...	...	Federal	1,000	.01½	.02	.02	.02
.42½	.12	...	...	Francoeur G.	1,100	.17	.18	.15	.18
				G, H, I, J					
.04	.01½	...	...	Gillies L.	1,000	.03	.02½	.02½	.02½
.01	.00½	...	...	Glenora	5,000	.00½	.01	.01	.01
.20	.08	...	...	God's Lake	6,200	.12	.13½	.12	.12
.07	.04	...	...	Golconda	1,000	.04	.04	.04	.04
.16½	.06½	.02	...	Goldale	4,250	.09	.09	.08½	.09
.18	.10	.04	...	Gold Belt	1,000	.12½	.12½	.12½	.12½
.10½	.02	.09	...	Gold Eagle	35,500	.02½	.02½	.02	.02½
.03	.01	...	...	Golden Gate	5,500	.02	.03	.02	.03
.01½	.00½	...	...	Goodfish	500	.01½	.01	.01	.01
.01½	.01	...	...	Graham B.	450	.01½	.01	.01	.01
.03½	.01	.00½	...	Gull W.	5,000	.02	.03	.02	.03
.14	.07	...	...	Gunnar G.	4,000	.09½	.10½	.09½	.09½
.07	.03½	...	...	Halliwell	46,900	.05½	.06½	.05½	.05½
.55	.25	.06	...	Hard Rock	9,600	.44	.44	.42	.42
.06	.03	...	...	Harker	500	.03	.03½	.03½	.03½
.15	.09	...	...	Hasaga	10,500	.10	.10	.09	.09
.38	.17	.08	...	Hedley Mas.	3,100	.34	.35	.34	.34
10.50	5.70	.65	7.8	Hollinger	3,197	7.00	8.30	7.90	8.15
.20	.11	.02	...	Howey Gold	1,600	.15	.15	.15	.15
28.12	21.75	2.00	7.7	Hudson Bay	1,650	26.00	26.25	25.50	26.00
.01½	.01½	...	...	Indian M.	3,000	.01½	.01½	.01½	.01½
.31	.12	...	...	Inspiration	100	.24	.22	.22	.22
1.06	.55	.13	...	Island M.	500	.63	.64	.64	.64
.30	.08	†.04	...	Jason Mines	3,110	.13	.12	.12	.12
.03	.00½	...	...	Jellicoe	600	.02	.03	.02½	.03
				K, L, M					
4.65	2.85	.35	7.3	K. Addison	10,926	4.45	4.75	4.35	4.45
.26	.11	...	...	Kirk. H. Bay	900	.18	.19	.18	.19
.62	.29	.06	...	Kirkland L.	6,200	.47½	.53	.51	.53
.25	.15	...	...	Kootenay B.	1,500	.20	.19	.19	.19
.59	.31	.02	...	L. Dufault	3,000	.40	.42	.40	.42
12.00	6.35	.80	8.9	Lake Shore	935	8.75	9.00	8.75	9.00
4.15	2.79	†.30+.25	...	Lamaque G.	310	3.25	3.75	3.50	3.75
.09	.03	...	...	Lapa Cad.	1,600	.06	.06	.05	.05
.60½	.38	.05	15.8	Leitch Gold	4,000	.57	.59	.57	.58
1.35	.54	†.10	...	Little K. L.	730	.75½	.78	.73	.77
2.85	1.37	.30	...	Macassa	3,905	2.12	2.15	2.10	2.12
1.68	.82	†.10	...	MacLeod C.	6,470	1.42	1.45	1.39	1.44
.63	.30	.03	...	Mad. R. L.	30,000	.58	.63	.58	.62
2.22	.98	.10	...	Malartic G.	13,600	1.54	1.60	1.52	1.58
.23	.10	.01	...	McG'vry C.	2,700	.18½	.19½	.19	.19
45.50	33.00	3.33	*7.5	McIntyre	570	42.50	44.00	43.50	44.00
1.04	.43	.12	17.9	McK. R. L.	4,200	.68	.68	.67	.67½
.11	.06½	...	...	McWatters	525	.09½	.09	.09	.09
1.40	.85	...	...	Mining Corp.	1,750	1.16	1.18	1.12	1.12
.30	.18	.08	...	Monets	3,400	.27	.28	.28	.28
				N, O, P, Q					
.23	.06½	...	...	Naybob	4,200	.07	.08	.07½	.07½
.50	.20	...	...	Negus Mines	1,000	.40	.45	.45	.45
1.04	.75	.10	...	Nipissing	200	.85	.90	.90	.90
52.00	35.75	4.00	10	Noranda	2,727	38.50	40.25	38.75	39.37
.25	.14	...	...	Nor. Canada	1,000	.16	.20	.17	.20
.90	.48	...	...	Normetals	2,632	.75	.80	.75	.75
2.00	1.00	.30	...	Northern Em.	15	1.80	1.00	1.00	1.00
.91	.34	.03	...	O'Brien	26,100	.53	.55	.51	.54
.10	.05	...	...	Omega	192	.07½	.07½	.07½	.07½
.16	.06½	...	...	Ont. Nickel	55,300	.13½	.13½	.12	.12
.14	.02	...	...	Osisko	11,000	.10	.08	.08	.00½
.13	.05	...	...	Pac. Nickel	2,000	.10	.13	.12	.13
.90	.30	.08	...	Pamour	1,707	.53	.56	.55	.55
3.00	2.00	.40	...	Pato Cons.	850	2.40	2.45	2.35	2.35
.19	.10	.02	...	Paymaster	4,100	.15	.17	.15	.17
1.75	.85	.06	...	Pend. Oreille	5,860	1.00	1.14	1.00	1.10
1.35	.41	.16	20.4	Perron Gold	1,000	.80	.78	.78	.78
2.35	1.00	.30	19	Pickle Crow	2,660	1.55	1.60	1.52	1.53
2.20	.93	...	...	Pioneer G.	4,810	1.05	1.10	1.01	1.10
7.00	4.25	.50	...	Placer Devel.	115	7.00	6.87	6.00	6.00
.78	.30	.02	...	Powell R.	1,700	.49	.51	.50	.51
.60	.30	.06	...	Premier G.	3,100	.51	.53	.48	.48
3.20	.97	.20	...	Preston E.	13,300	1.55	1.61	1.53	1.60
.47	.17½	.12+.01	...	Privateer	700	.30	.30	.30	.30
.02½	.01	...	...	Quatsino	5,000	.02½	.02½	.02½	.02½
.39	.08	...	...	Queenston G.	1,527	.27	.28	.23	.23
				R, S, T					
.23	.02½	.20	...	Reno Gold	900	.07½	.08	.07½	.08
.03	.01	...	...	Roche L. L.	1,200	.02½	.02½	.02½	.02½
2.05	1.15	.20	*11.7	San Antonio	2,500	1.73	1.73	1.66	1.70
.02½	.00½	...	...	Sand River	4,000	.01½	.01½	.01½	.01½
.19	.09	...	...	Senator R.	6,400	.18	.18	.18	.18
.86½	.54	.05	...	Sheep Creek	6,900	.85	.86½	.83	.86½
.98	.55	.10	...	Sherritt G.	7,671	.65	.67	.65	.67
6.00	4.00	.60	11.4	Sigma Mines	100	5.25	5.25	5.25	5.25
.50	.23	.06½	...	Siscoe	6,400	.35	.37	.35	.36
.34	.13½	...	...	Sladen Mal.	4,000	.26	.27	.26	.27
.06	.01	...	...	Slave Lake	27,100	.02½	.02½	.02	.02
.04	.01	...	...	St. Anthony	2,500	.01½	.01½	.01½	.01½
1.96	.87½	...	...	Steep Rock	22,050	1.68	1.70	1.62	1.63
.01½	.00½	...	...	Straw Lake	1,000	.00½	.01	.01	.01
.13½	.05	.02	...	Sturgeon R.	2,500	.08	.12	.12	.12
1.70	1.05	.02½	...	Sud. Basin	100	1.45	1.45	1.45	1.45
.65	.37	.09	...	Sullivan C.	2,800	.55	.60	.55	.59
1.98	.97	.20	16	Sylvanite	1,450	1.20	1.25	1.22	1.22
2.34	1.18	.40	23	T. Hughes	4,345	1.68	1.75	1.65	1.74
1.10	.45	.11+.02	...	Toburn Gold	3,000	.55	.55	.50	.55
.13	.08	...	...	Towagmac	6,000	.09	.10	.09	.10
.50	.23	...	...	Trans. Res.	1,000	.35	.35	.35	.35
				U, V, W, Y					
.07½	.01	...	...	Uchi Gold	1,000	.07	.07½	.07½	.07½
40.00	15.00	...	...	Uchi Bonds	$1,000	28.00	24.00	24.00	24.00
1.24	.41	.10½	...	Upper Can.	3,800	.80	.81	.79	.81
5.00	2.90	.25	...	Ventures	1,420	3.95	4.40	4.00	4.30
4.80	3.00	.40	...	Waite Am.	1,401	3.25	3.50	3.20	3.25
.22	.08	.03	...	Wendigo	2,970	.21½	.21	.20	.20
.04	.01	...	...	Wood Cad.	22,700	.02	.02½	.02	.02
2.90	1.75	.40	17.7	Wright-Har.	1,800	2.27	2.30	2.25	2.25
.07	.02½	...	...	Ymir Girl	4,900	.05½	.07	.05½	.07

Oil Stocks

Range 1942 High	Low	Div. Rate $	Dec. 19 Yield %	Company	Sales	Last Dec. 14	High	Low	Close
.10	.05	...	...	Alta. Pac. C.	1,325	.10	.09½	.07	.09½
.03½	.02	...	...	Anaconda	5,000	.03	.03	.03	.03
.56	.32	.04	...	Anglo Can.	2,100	.45	.45	.44½	.44½
.29	.09	...	...	Br. Dom.	36,875	.22	.22	.20	.21½
.07	.04	...	...	Brown Oil	1,000	.04½	.05½	.05½	.05½
1.20	.78	.10	...	Calg. & Ed.	2,810	1.10	1.11	1.07	1.10
.22	.10	...	...	Calmont	2,000	.20	.20½	.20	.20
.23	.10	.02	...	Commoil	1,000	.15	.16	.16	.16
.30	.18	...	...	Common. P.	1,100	.19	.20	.19	.19
.30	.12	...	...	Dalhousie	2,350	.25	.25	.24	.24
.17½	.07	.01	...	Davies Pete	5,500	.10½	.10	.09½	.09½
.04	.01	...	...	East Crest	7,500	.03½	.04	.03	.04
.85	.55	...	...	Foothills	600	.70	.80	.77	.77
.20	.07	...	...	High Sarcee	400	.10	.10	.10	.10
2.70	2.00	.15	...	Home	3,275	2.42	2.50	2.40	2.45
.07	.02	...	...	Homestead	2,100	.03	.03	.03	.03
.07	.02½	...	...	McD. Segur	5,000	.05	.05½	.05½	.05½
.05½	.03	...	...	Mercury Oils	4,210	.04½	.05½	.05	.05½
.08½	.03½	...	...	Mill City	1,500	.06½	.08½	.08½	.08½
.05	.02	...	...	Nordon	500	.03½	.03½	.03½	.03½
.40	.20	.02	...	Okalta	3,400	.33	.37	.33	.35
.06	.03	...	...	Pacalta	36,900	.04½	.04½	.04	.04½
.25	.14	...	...	Pacific Pet.	2,200	.21	.22	.21	.22
22.00	16.00	1.00	4.5	Royalite	145	21.00	22.00	21.00	22.00
.05	.02	...	...	South End	4,500	.03	.03	.02½	.03
1.60	.70	...	...	Texas Can.	100	.95	.85	.85	.85
.06	.03	...	...	United Oils	5,400	.05	.04½	.04½	.04½
.13	.05½	...	...	Vermilata	5,600	.09½	.10½	.08½	.08½

* Yield including bonus. † Paid in 1942 to date. * Paid in 1941.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 22	11,100	4,400	181,000	......
Dec. 21	12,500	11,100	150,800	7,785
Dec. 19	13,000	18,100	84,000	6,320
Dec. 18	39,400	14,600	196,000	18,635
Dec. 17	33,300	7,000	181,000	16,350
Dec. 16	16,500	2,700	163,000	10,535

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dec. 22, 1942

%	Due	Bid	Ask.	Approx. Yld.
2½	June '43	100½	101	...
5	Oct. '43	102½	103½	1.07
2	June '44	100½	101½	1.21
1½	Sept. '44	99½	100½	1.26
2½	Jan. '44	100	100½‡	...
4½	Oct. '44	105½	105½	1.37
2½	Nov. '44	101½	102½	1.37
a3½	Aug. '45	100	‡100½	b1.82
4	Oct. '45	101½	102½	...
2	Mar. '45	100½	101½	1.48
2	Dec. '46	99½	100½	1.94
4½	Feb. '46	107½	108	1.85
2½	Mar. '48	99½	100½	2.20
1½	May '46	99½	100	1.75
3½	June '49	102½	103½	b2.27
3½	Oct. '49	102½	103	b1.83
3½	Nov. '51	101½	102½	b2.82
3½	Feb. '52	102½	103	♦2.82
a5	May '52	101½	102‡	b
4	Oct. '52	105½	106½	b2.62
a2	June '51	100½	101½	2.92
3	Oct. '52	99½	100½	2.96
3	June '55	99½	100	3.00
a3	Nov. '56	99½	100	3.06
4½	Nov. '58	106½	107½	b2.51
4½	Nov. '57	107½	108½	b2.70
a3	Mar. '54	99½	100½	3.05
4½	Nov. '57	108½	108½	b2.88
3	June '58	99½	99½	3.02
4½	Nov. '58	108½	108½	b2.88
4½	Nov. '59	109½	109½	b2.92
a4	Oct. '60	107	‡107½	b2.92
a3½	Jan. '61	101½	102‡	3.07
3½	June '66	101½	101½	b3.00
a3e	Jan. '67	97	97½‡	3.15
a3e	Nov. '68	97	97½‡	3.15
†3	Perpet'l.	94½	94½	3.17
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100	100½	...
2½	Jan. '46	100½	101½	1.83
3	May '44	101½	102½	1.39
3	Dec. '50	99½	100½	2.83
3	Jan. '59	99	99½	3.02
*4½	Sept. '51	119	120	2.00
*4½	Feb. '56	120	121	2.60
4½	July '57	120½	121½	2.72
3	Feb. '53	99½	99½	3.02
4½	June '55	122	123	2.58
5	Feb. '54	117	118	3.06
*5e	July '69	117½	118½	...
*5e	Oct. '69	123	124	b1.92
*5e	Feb. '70	123	124	b2.03
	Can. Nat. W. Ind. S. S.:			
*5	Mar. '55	123	124	2.68
	Grand Trunk Pacific Rly.:			
3	Jan. '62	103½	104½	2.69
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	94½	96½	3.45
3½	Aug. '49	96	98	3.57
3½	June '56	96	98	3.66
c4	Nov. '47	100½	111	b.41
c4½	Apr. '61	110	113	3.53
c5	Jan. '60	113	115	3.82
	Nova Scotia:			
3	Jan. '52	98	99½	3.06
3½	June '56	99½	101	3.16
3½	Nov. '50	101½	102½	3.18
c4½	Sept. '52	112	114	...
c4½	Nov. '60	115	117	3.24
c5	Mar. '60	120	122	3.33
	Ontario:			
2½	May '45	100	101	2.11
3	Apr. '48	[illegible]	101½	b2.61
3	Nov. '50	[illegible]	[illegible]	b2.80
3½	Nov. '51	100	[illegible]	b3.05
3½	May '55	100½	[illegible]	b3.10
*4	June '62	114	116	2.92
4½	June '50	109	110	3.04
*4½	Jan. '63	118	120	3.10
5	Oct. '48	109½	110½	3.00
*5	Dec. '60	126	127	3.04
5½	July '46	108½	109½	2.77
	Ont. Hydro Commission:			
3	Aug. '48	100½	101½	b2.64
3½	Feb. '53	100½	101½	b3.05
3½	Apr. '47	103½	104½	2.48
	Prince Edward Island:			
4	Mar. '54	102	104	3.57
	Quebec:			
3	Nov. '47	99½	100½	2.94
3½	Mar. '48	99½	100½	3.20
3½	Mar. '39	99	100	3.50
4	Nov. '52	102½	103½	b3.46
3½	Feb. '55	100½	101½	b3.53
4½	Aug. '58	106	107	3.87
4½	Jan. '63	110½	111½	3.70
	Alberta:			
4½	Oct. '56	74	76	d
4	Dec. '54	73½	75½	d
*5	Oct. '59	75	77	d
c5½	Apr. '52	75½	77½	d
6	Mar. '47	76	78	d
	British Columbia:			
4	Dec. '57	107	109	3.22
*4½	Jan. '51	112	113	2.74
c4½	Oct. '53	111	113	3.10
c5	Apr. '54	114	116½	3.26
5½	Feb. '45	104	105	3.00
6	Feb. '47	109	111	3.21
	Manitoba:			
c4	Dec. '57	101	103	3.73
c4½	Dec. '58	104½	106½	3.89
*5	Dec. '59	107½	109½	4.21
5½	Oct. '55	110	111½	4.22
6	Apr. '47	107	109	3.80
	Saskatchewan:			
4	Sept. '54	86	88	5.30
4	Nov. '60	86	88	5.02
c4½	Oct. '51	93	96	5.07
c4½	Mar. '60	92	94	5.01
5	Aug. '58	92	93	5.47
5½	Oct. '52	97	99	5.63
6	Mar. '52	99	101	5.84

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ♦-Calculated at 1930 average maturity. ▪-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison J., & Co., Toronto)

Dec. 22, 1942

Industrial:	Bid	Ask.
Acme Farm. pf.	80	..
Andian National	18	21
Anglo C. Tel., A	7½	8
Atlas Steels, c.	17½	22
Do., pref.	100	..
B. C. Pulp, c.	8½	9½
Do., pfd.	63	66½
Barrymore Cl. p.	40	..
B. C. Sugar	65	..
B. C. Tel. p.	103	..
Brown, com.	1½	2
Do., pfd.	22	24
Burns & Co., A	5	7
Do., B.	3	4
Can. Indust. A.	143	148
Can. Co-op. Wool	8	9½
Can. Mach. c.	7½	9½
Can. Ing. Rand	61	65
Can. Mot. L.A.B.	6½	8½
Cap. W. Cloth.	5	..
Do., pref.	17½	20½
Col. Realty	2½	..
Chase, A. W., p.	15	18½
Colonial Steam	47	52
Copeland F. un.	15	17
Corr. Pap. Box c	1½	2½
Coll. Term. c.	2½	..
Dunlop T. p. $25	17	18½
Easy Wash. p $10	8	10
Fed. Grain pf.	44½	47
Galt Brass, c.	10	12
Goderich Elev.	8	9
Guard. Realty, p	12½	15
Guelph Carp., c.	13	16
Gurney Fdy., p.	1½	1½
Hart Battery	5½	..
Hayes Steel, c.	12½	..
High. Dairy pf.	..	45
Inglis John	6	7
Ingram & Bell p	88	..
Kingst. Ship., c.	11	13½
Loblaw Inc. c.	11½	13½
Minn.&Ont. p. c.	3½	4½
Mt. Royal H. c.	2½	4
Morrison Br. un.	5½	7
M'row Screw p.	100	103
Do., com.	14	16
Neilson, c.	10	..
Neilson Wm. p.	100	..
N. Meth. Ldy. p.	74	..
Ont. Tobacco, p.	16	18½
Prov. Paper, p.	90	95
Rel. Grain	6	8½
Do., pref.	76	80
Robertson, P. L.	305	..
Quinte Milk	2½	3½
Stand. Fuel, p.	50	53
Stedman, pf. $50	53	56
River Silk B.	1½	..
Sutton Horsley	1	1½
Tor. Carpet, c.	65	..
Do., pref.	67	71
Un. F. Co-op.	3½	5
Un. Steel. A. pf.	23	24½
Viceroy Mfg., c.	12½	..
Do., pref.	23	..
Waterloo Mfg.	21	..
Trust & Loan Stocks:		
British Mtge.	115	125
Brockville Tr.	43	..
Cap. Trust	28½	32
Comm. Fin., co.	5	6½
Grey&Br. Tr.$50	45	..
Guaranty Trust	100	103
Guelph & O. $50	50	53
Indust. Mtge.	25	28
Lambton Loan	34	..
Lon. & W. Trust	31	33½
Midland Loan	14	16
Premier Trust	24	27½
Sherbrooke Tr.	120	..
Sterling Trust	51	53
Th. Can. Inv. Tr.	1½	1½
Trusts & Guar.	28	31
Victoria Trust	62	68
Waterloo Trust	99	..
Insurance Stocks:		
Brit. Amer.	50	52½
Canada Life	310	327½
Canadian Fire	75	78
Confed. 30% pd.	125	131
Cons. Fire	3½	..
Continental L.	30	34
Crown Life	250	284
Dominion Fire	121	138
D. of Can. Gen.	120	125
Dom. Life	177	200
Empire, 25% pd.	4½	5½
Excelsior 40% pd	67	72
Fed. Fire 25% pd	52	54
Great-West Life	212	225
Halifax Fire	14½	15½
Imperial Life	245	265
Manufac. Life	214	222
Monarch Life	31	34
National Life	8	10
Sov. L. 25% pd.	11	12½
Sun Life	230	250
Tor. General	4	5½
Wellington Fire.	58½	..
Western Assce.	36½	38
Do., pref.	41	44
Theatre Stocks:		
Allen's St. Cath. units	55	58
Do., Kingston.	63	66
Do., Toronto p	34½	37
Mansf. Theat., p	45	..
Para. Kitch. p.	50	..
Do., Oshawa, c	9½	11
Investment Trust Shares:		
Sec's. Hold., pf.	17	19
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	102	107
Gt. Lakes Pr., p	100	103½
Int. Util. $1.75 p	7	..
Do., $3.50 p	24	..
Mtl. Is. Pwr. p	41	..

Unlisted Mines

Toronto, Dec. 22, 1942

	Bid	Ask
Adnaron	.26	.28
Albany R (new)	.01	.04
	.04½	.08
Amal Kir	.06	.07½
Anoki	.01	.03
Aquarius	.06	.10
Arjon	.02	.04½
Armistice	.19	.20
Argosy	.03	..
Area	.05	.06
Arntfield	.00½	.01½
Barb Lard	.01½	.02½
Brock	.04½	.05½
Clift Cons	.21½	.24
Can Rad	.03	.05
Cent Man	.02	.02½
Opeminis	.02	.04
Columb	.22	.24
Cons Chib	.04	.06
Delpine	..	.03
De Santis (new)	.02½	.03
Dona Pat	.00½	.01½
Eastward	.05	.07
Elmos	.03	..
Franco	.19	.23
Goodrock	.22	.23
Hayes Cad	.02½	.03
Hoyle (new)	.07½	.09
Hugh P P	.02	.03
Kirk Tow	.04½	..
Lacoma	.00½	.01
Laguerre	.05	..
Lk Geneva	.04½	.05½
Low Pete	.28	.33
Magnet C	.22	.26
Maggnet L	.05	..
Maj Mica	.31½	.34
Martin B	.02	.03
Mat Can	.01	.04
Mat Cons	.07	.11
McMarm	.10	.13
Moffatt	.01	.03
Mosher	.06	..
McManus	.00½	.01½
Nat Mal	.19	.21
Nick Off	.80	1.10
Norbeau	.12	.17
North Tin	.15	.17
Oklend	.03	.04
O'Lea Mal	.02	.03
Opemiska	.03	.05
Orpit	.01½	.02½
Pascalis	.14	.16
Pontiac R (old)	.01	.04
Port Cold	.23	.26
Prop'ary	4.10	4.30
Presdor	.02	.03
Que Man	.18	.20
Rand Mal	.10	.12
Ritoria	.01	.03
S.A.G.A.	.05	.26
Sheldon	.05	..
Springer	.17	.19
Stadacona	.05	.10
Tombill	.05	.10
Tomah'k	.60	.65
Thoms Lk	.12	.15
Union Min	.02	.03
Wesley	.00½	.01½
Young D	.18	.21

OIL ROYALTIES

Producing Wells — Prices and Payments

	‡Oct. daily allow. bbls.	Sept. daily allow bbls.	Aug. pay. 1% $	Sept. pay. 1% $	Oct. pay. 1% $	Total to Oct. 31 1% $	Offering price per 1% $
Ace No. 1 gross	525	525	219.32	205.12	197.47	3,773.14	....
Alta. Oil Inc. No. 1 gr.	82	82	33.60	32.80	18.80	3,517.20	....
Do., No. 1 net	82	82	25.00	22.40	22.00	4,016.80	900
Do., No. 2 gr.	485	485	234.40	210.80	161.20	4,005.60	....
Do., No. 2 net	485	485	168.00	150.40	107.60	5,783.00	....
Allied No. 1 pfd.	116	116	47.00	29.00	41.00	1,451.60	....
Arrow No. 1 net	95	95	38.12	42.92	33.97	733.15	1,300
Do., No. 2 net	186	186	70.00	51.00	54.00	1,457.20	1,600
Atlas-Br. D. No. [illegible] pfd.	654	654	329.20	293.20	224.80	3,047.60	6,900
Atlas-Br. [illegible]	....	....	....	....	....	......	7,600
D. & D. [illegible]	75	75	26.80	30.00	32.00	1,809.80	1,000
East Cre[illegible]	130	130	59.20	49.60	49.20	386.40	1,600
Independe[illegible]	220	220	103.03	93.03	30.80	1,944.25	3,000
Do., No. 1 gr.	220	220	89.75	78.62	97.49	2,040.18	....
Major Oil No. 1 pfd.	108	108	46.00	40.00	30.80	620.80	....
Do., No. 1 gr.	108	108	54.80	43.20	41.20	1,513.80	....
Do., No. 2 net	578	578	289.60	154.40	156.80	4,333.40	5,200
Do., No. 2 gr.	578	578	277.60	259.60	233.20	5,593.60	....
Do., No. 3 net	825	825	283.20	259.20	248.40	5,743.60	7,800
Do., No. 3 gr.	825	825	380.80	374.80	....	......	....
Do., No. 4 pfd.	299	299	144.00	137.20	106.00	2,049.20	3,000
Do., No. 4 gr.	299	299	128.40	128.40	99.20	3,333.60	....
Do., No. 7 pfd.	650	650	....	....	264.80	264.80	7,500
Do., No. 7 dfd.	650	650	....	....	....	......	4,000
Do., No. 7 gr.	650	650	290.80	292.40	280.00	1,024.80	....
Do., No. 8 pfd.	529	293	....	....	....	......	4,200
Do., No. 8 gr.	529	293	176.40	199.60	152.40	528.40	....
Do., No. 8 dfd.	529	293	....	....	....	......	2,100
Do., No. 9 gr.	427	427	230.80	181.60	153.20	860.80	....
Do., No. 9 pfd.	427	427	....	....	....	......	4,300
Do., No. 9 dfd.	427	427	....	....	....	......	2,200
Miracle No. 1 net	415	415	139.53	124.27	119.75	4,583.05	4,300
Do., No. 1 gr.	415	415	178.12	170.40	174.00	4,525.80	....
Do., No. 2 pfd.	304	304	132.63	166.62	125.26	1,150.22	3,000
Do., No. 2 gr.	304	304	133.38	149.60	110.80	722.32	....
Renown No. 1 pfd.	95	95	52.69	36.78	38.59	212.62	....
Winalta No. 1 pfd.	81	81	46.80	30.80	26.80	3,440.30	1,000

*Approximately 25% over dealers' list prices.
‡November and December allowances in barrels not generally released.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Bonaventure pfd.	7,387	$2,100
Bonaventure gr.	7,387	3,800
Major Oil No. 6 pfd.	8,022	5,400
Major Oil No. 6 gr.	8,022	7,000
Miracle No. 3 pfd.	7,957	6,300
Miracle No. 3 gr.	7,957	8,300
Northclonmel No. 1 pfd.	8,433	4,800
Northclonmel No. 1 dfd.	8,433	2,000
Northclonmel No. 1 gr.	8,433	6,300
Northend No. 1 pfd.	8,926	2,800
Northend No. 1 dfd.	8,926	1,300
Northend No. 1 gr.	8,926	4,100
Northend No. 2 pfd.	6,450	2,600
Northend No. 2 gr.	6,450	4,500
National Vulcan No. 1	5,026	*4,375
New Ranchmen's pfd.	1,770	*3,200
Empire pfd. (Ont.)†	....	*1,100
Hi-Test Pet. pfd.†	....	*3,600
Kinsella Ltd.†	....	*2,100

*Pegged price. †Acreage royalty.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.15	2.36
Can. Int. Trust	3.50	4.25
Can. Invest. Fund	3.30	3.60
Can. Investors	4.00	5.00
Corp. Investors	5.25	5.65

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and Asked as at Dec. 22, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Allens Lond. The, pfd.	53	58	+1
Atlas Steels 7% 2nd p.	105	106½	..
Brantford Roofing, c.	1½	2½	..
*Can. Gen. Rubber, pfd.	..	21	..
C.P.R. 4% p. (£ par)	2½	3	..
Can. Paving, 1st pfd.	.90	..	..
Can. Tea 7% pref.	28	..	+1
Can. West. Lumber, c.	.20	.35	..
Cawthra Apts., pref.	2½	3½	..
Claude Neon, 7% pref.	2	3	..
Collingw'd Term., pref.	4	1	+½
Commer. Life, 10% pd.	5½	8	+½
Copland Brewing	.90	..	..
Dom. Life, 70% pd.	177	200	—1
Dover Industries	6½	8	..
Dubuisson Gold	.12½	.15½	+.10
Eastern Steel, 5% pref.	20½	21½	..
Federal Fdries. com.	.10	..	+.04
†Ft. Wm. Hotel, units	..	45	..
Franco Oils, com.	.18½	.23	—.30
Hart Battery, com.	5	6	..
Loew's London Th. pfd.	7½	8½	..
Mont. Deb. Corp., pref.	2	..	..
Murphy Paint, com.	8½	10½	+1½
Do., 5½% pref.	92½	95	+3
Nat. Hosiery, com.	.85	1.30	..
Do., pref.	.95	1.20	..
†Nor. Amer. Elev. 1st pf.	29	..	+1
*Do., 2nd pfd.	30	..	..
Do., com.	..	1	..
Que. Pulp & Paper, pf.	26	28	..
Reanite Corp.	1	2½	..
Sawyer Massey, com.	.10	.30	..
St. John Dry D. 5½% pf.	95	98	—1
Sincennes McN., com.	1½	..	..
Supertest Pete., 6% pf.	26½	27½	..
Tip Top Tailors Inc. un.	7½	9	..
Viceroy Mfg., 6% pref.	22½	24½	+½
West. Can. Hydro, pf.	11½	12½	..
Western Life, 20% pd.	11½	13½	..
Windsor Hotel, com.	2½	3	..

*Issue carries arrears.
†Currently paying on arrears.

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Dec. 21 Bid	Ask
A				
Acme Glove, pref.	6.50	50	50	60
Agnew Surp., pref.	7	109	108	..
Aluminum, pref.	6	116	..	121
Amer. Cyn. B.	.60	37	33	..
Assoc. Brew.	1.25	15	14½	16
Do., pref.	7	109	110½	..
Assoc. T. & T.A., c.	...	1	1	..
Ault & Wiborg	5.50	103	103	..
B				
Bk. Can. Nat.	6	129	128	129
Barber Ellis	.47½	8½	6	..
Barker's Bread, c.	...	.75	.50	1.00
Beath & Sons	.80	5	5	7
Beatty Bros. (B)	...	..	3½	3½
Beaver Lumber	...	5	2½	..
Do., pref.	...	105	103	..
Belding Cort.	4+2	80	..	82½
Do., pref.	7	118	115	..
Blue Ribbon, pref.	2.50	25	25	31
Blue Top Br. A.	.60	10	10½	..
Do., "B"	...	10	10	11
Brand. Hender.	...	3½	3½	..
Bright, T. G.	...	6½	4½	..
Do., pref.	6	90	90	..
C				
Caldwell Linen c.	...	4½	4	..
Canada Bread	...	2½	2½	3
Do., pref.	6	100	100	..
Canada Bud	.40	5½	5½	6
Can. Cr. Stone	.40	5½	3½	..
Canada Cycle, p.	5	104½	104½	..
Can. Forg. (B)	1.50	19½	15½	..
Can. Iron	...	55	..	..
Do., pref.	6	81½	..	..
Can. Perman.	8	126	125½	130
Can. Starch	.50	8½	8½	..
Do., pref.	7	113	108	..
Can. Vinegars	.40+.10	6½	5½	7
Can. Bakeries, c.	...	2½	2	2½
Can. Bronze, pf.	5	105½	105½	..
Can. Canners, c.	.50	5½	6	..
Can. Celanese rts.	1	22	22	23
Can. Cottons	4+2	98	98½	..
Do., pref.	6	115	115	..
Can. Dredge	...	15	15	15½
Can. Fairb. pf.	6	100	100	..
Can. For. Inv., pf.	8	105½	103½	..
Can. Gen. Elec.	8	190	185	..
Can. Gen. Secs. A.	...	..	5½	..
Do., B.	...	..	5½	..
Can. Indust., pf.	7	161½	162	165
Can. Int. I. Tr.	...	.25	.10	.50
Do. pref.	2	36	35	..
Can. Oil, pf.	8	110	110	112
C. Pr. & Pa. In., c.	...	.07	.25	1.00
C. Tube & Stl. c.	...	6	5	6
Do., pref.	7	105	99½	110
Do., 2nd pref.	...	6	5	..
C. Wallpaper A	1	9½	9½	..
C. Wire Box	1.50+.50▲	17½	17	20
Capital Estates	...	1.01	1.10	..
Carnation, pfd.	4	113	115	..
Catelli Food	...	8	8½	9½
Do., pref.	.75	10½	10	..
Celtic Knit	...	1.70	1.50	..
Cent. Can. L'n.	8	145	124	130
Chart. Trust	4	95	..	89
City Gas & El.	...	.15	.10	.35
Conduits Nat.	.40	3½	3½	4
Cons. Press	...	2	2½	4
Corr. P. Box, p.	7	65	60	65
Crown Dom. Oil	...	1.25	1.25	..
Crow's N. Coal	3	30½	30	..
D, E				
Dairy Corp.	...	..	1.30	..
Do., pref.	...	..	15	..
deHavilland	...	5½	2½	7
Do., pref.	7+7▲	85	75	..
Disher Steel	...	1.05	.75	1.00
Do., pref.	1.50▲	6	5½	10
Dom. Ang. Inv.	4	30	22	..
Do. pref.	5	75	75	84
Dom. Envelope	...	7½	7½	9
Do., pref.	7	89½	..	99½
Dom. Fabrics	...	..	7½	8½
Do., pref.	...	..	49½	..
Do., 2nd pref.	...	..	22	..
Dom. Glass	5	115½	112½	..
Dom. Scot. Inv.	...	.45	.45	.50
Do., pref.	2.50	23½	22	27
Dom. Textile, pf.	7	151	149	..
East Koot Pr.	...	.50	.10	..
Do., pref.	...	12	7	12
East Dairies, c.	...	.50	.50	.75
East Steel	1	11½	11	12½
East Theat.	.50	6½	6½	..
Economic Inv.	2	25	21	21½
Electrolux	...	5	4½	5½
Enam. & Heat.	...	2½	2½	..
English Elect. (B)	...	4	3½	10
Equitable Life	.15	5	4½	5½
F, G				
Famous Players	1	16	18	20
Federal Grain	...	.40	..	1.50
Do., pref.	6	40	..	..
Fleury Bissell	...	.50	.50	..
Do., pref.	...	10	10	14
Ford Motor (B)	1	20½	19½	..
For. Pr. Secs.	...	.10	..	..
Freiman	...	.50	.50	..
Do., pref	1.50	55	55	..
Gat. Pwr. Rights	...	.09	..	.09
Gt. Lakes Pap.	...	2½	1	..
Do., pref.	1.50	16	8	20
Gt. W. Saddlery	...	3½	3½	4
Do., pref.	3	26	25	..
Gurd Chas, pref.	...	70	..	..
H, I,				
Ham. Cot., pf.	2	31	31	33
Ham. U. Theat. pf.	5	78	80	85
Harding Carpet	.20	3½	2½	4
Hillcrest Coll.	...	.90	.30	.90
Holt Renfrew	...	5	5	8
Do., pref.	...	45	45	..
Home Invest. new	...	..	5	..
H. Smith Pap., pf.	6	97½	95	99
Humberstone S.	.50	8½	8½	..
Hunts (A)	...	6	..	7½
Do., (B)	...	6	..	8½
Hydro Electric	...	1.10	1.10	..
Imperial Life	15	..	..	274
Imp. Varnish	.50+.10	8½	8	8½
Do., pref.	1.50	26½	27½	28½
Inter-City Bak.	3	26	27	35
Inter'c Coal	4	35	..	..
Do., pref.	8	120	..	..
Inter Bronze, pf.	1.50	22½	22½	..
Int. Mill., pf	5	111½	113	..
Int. Paints pf.	1+.50▲	15	13½	20
Int. Pap. & P.	...	9½	8½	..
Do., pref.	5	51½	..	..
Int. Util. (A)	...	3½	3	..
J, K, L				
Jam. Pub. Ser.	.68	10	10	12
Do., pref.	7	101½	100	..
Kelvinator	...	9	9	..
Lake of Woods, pf.	7	118	118	..
Landed Bank	4	52	51	65
Lang, J. A.	.70+.30	13	11½	15
Legare. pref.	...	8	7	9
Levy Bros.	.50	2½	2½	..
Lindsay, pref.	2	51	50	..
M				
Mackenzie Air	...	1.00	..	..
Mackin Steel, c.	...	1	..	3
M. L. Gardens	...	6	6½	8½
Do., pref.	.40	4½	4½	6½
Maritime Tele.	.80	15½	14½	..
Do., pref.	.70	16½	15	..
Marcus Loew's	...	17½	23	..
Do., pref.	7	95	94½	..
McColl Fron. pf.	6	92	93½	97
Melchers, c.	...	1	1	1½
Mitchell, J. S.	2.50	30	..	..
Mod. Contain.	1.20	14	13½	16
Do., pref.	5.50	92	93½	100
Monarch Knit	...	3	3	..
Do., pref.	7	55	63	70
Monarch Life	12%	33	..	23
Montreal Cot.	4	66	65	..
Do., pref.	7	116	114½	..
Mont. Is. Pr.	...	.25	.25	..
Montreal Loan	1.25	13	12½	..
Mtl. Refrig. & S.	...	.75	.70	.80
Montreal Tele.	*1.82	23½	21	..
Moore Corp. pf. (B)	7	246	..	..
Muirheads, pref.	...	1	2½	..
N, O				
Nat. Grocers	.40	6½	6½	6½
Do., pref.	1.50	25½	25	25½
National Tr.	8	123	120	132
Niag. W. Weav.	2	15½	15½	18
Nor. C. Mtge. units	.50	6	5½	..
North. Mtge.	.50	.75	.75	..
North. Trusts	...	7	6	..
N.S.L. & Pr.	6	78	81½	..
Do., pref.	8	106	106	..
Ontario Loan	5	105	103½	113½
Ont. Silknit	...	..	..	1½
Do., Scripts	1	12	12	..
Ont. Steel	1	9	9½	10
Do., pref.	7	115	112	120
Orange Crush	...	.50	.50	..
Do., pref.	...	1½	1½	..
P, Q				
Pantepec Oil	...	4½	4	5½
Paton Mfg.	4	30½	40	..
Do., pref.	7	113	112	..
Penmans	3	47	41	50
Do., pref.	6	120	122	..
People's Cr. Sec.	.25	5	..	5½
Photo Eng.	1	11	11½	15
Porto Rico Pr., p.	7	98	98	..
Que. Telephone	...	4	4	..
R				
Real Estate L'n	2	25	20	22½
Regent Knit	.75	5	5	5½
Do., pref.	1.80	18	17½	21
Reliance Grain, c.	...	3½	4	6
River S. Mill	2	22½	20	22½
Rolland Pap.	.60	7½	6	..
Do., pref.	6	88	..	95
Russell Indust., pf.	7	150	150	155
S				
Sangamo	.90	24	..	34
Sarnia Br. (B)	...	2	2	4
Scythes & Co.	1+.50	15	14½	19½
Do., pref.	1.75	24½	25	..
Silverwoods	.40	8	8	9
Do., pref	.40	7½	7½	8½
Simon & Sons	.60+.15	8½	8½	10
Do., pref.	7	103	101½	..
St. Law. Flour	1.40+.50	23	21	..
Stand Clay	...	1	3	10
Stedman Bros.	.60+.60	16	16	18
Sterling Coal	...	2½	..	5
Stuart, D. A. pf.	.80+.20	11½	10	12
Supersilk, H. A.	...	..	..	2
Do., (B)	...	2½	..	3
Do., pref.	5	64	64½	70
Sup. Pete. Ord.	1	18½	17½	20
Do., com.	1	18½	..	32
T, U, V				
Tamblyn, pref.	2.50	52½	52½	..
Thayers	...	1.25	1.25	..
Do., pref.	2	18	..	38½
Thrift Stores	...	2½	2½	3½
Do., pref	...	15	14	..
Tip Top Tailors pf.	7	100	98	100
Tor. Elevators	2	21	22	23½
Do., pref.	2.62½	50	49½	..
Tor. Mtge.	5	68	68	88
Traders Bldg.	...	44	44	..
Traders Finance A.	...	..	5½	9
Do., (B)	...	..	5½	..
Do., pref.	6	..	61	65
Do. (A) rights	1	..	8	..
Do. (B) rights	1	..	8	..
Twin City	...	5½	3½	7
Do., pref.	3.50	28½	..	..
Un. Amuse, A.	.80	13	13½	..
Do., (B)	.80	13½	13½	..
Unit Corp. (A)	1.50	..	20	22
Do., (B)	.30	5½	5½	5½
United Distill.	.10	1.05	1.25	1.75
United Secs.	...	6	4	8
Viau Bisc.	...	4	..	4
Do., pref.	5	47	47	..
W, Y, Z				
W. Koot. Pr. p.	7	136	135	..
West. Grain, p.	...	5½	..	10
West Grocers	3+2	48	49½	..
Do., pref.	7	113	108½	120
Weston Geo., pref.	5	92	92	95½
Wilsils	1	16	17	..
Woods Mfg., pf.	...	60	60	..
York Knitting	.40	3½	3½	8
Zellers, pref.	1.50	25	24	25

▲On arrears. *Net after corporate income tax.

Mining Stocks

	Div. rate	Last sale	Dec. 21 Bid	Ask
A				
Amm. Gold	...	.00½	.00½	.01
Arno	...	.01	..	.02
Astoria Quebec	...	.01½	.01½	.02½
B				
Beaufor	...	.01½	.01½	.03
Berens River	.12	.60	..	..
Bouscadillac G. M.	...	.01½	.01	.02½
Brazil Gold	...	.03	..	..
Bunker Hill	...	.01½	..	.03
C, D				
Camp Bird	...	.02	.01½	..
Cartier Malartic	...	.01	..	..
Cen. Manitoba	...	.02½	.02½	.03½
Cen. Porcupine	...	.06½	.06½	.07
Chromium	...	2.50	2.40	2.75
Delnite	.06	.40	.32	..
Dentonia	...	.00½	.00½	..
F, G				
Fairview	...	.00½	.00½	.00½
Flin Flon G.	...	.01½	.01½	.02
Forty Four	...	.10	.10	..
George Copper	...	.15	.12	..
Grandora	...	.05	.06	..
Grandview	.02	.11½	.12	.14
Gt. Falls M. & S.	...	.06	.01½	.06
Gurney Gold	...	.01	..	.01
H, I, J				
Halcrow Swayze	...	.01½	.01½	..
Halinor Mines	.40	2.40	1.85	2.25
Home Gold	...	.00½	.00½	..
Jacola	...	.00½	.00½	..
Jack Waite	...	.07	.06	.09
J. M. Cons. Gold	...	.00½	.00½	.01
Joliet Quebec	...	.01½	..	.02½
K, L				
Kerr Lake	▲.05	.22	.10	.45
Kirk. Gold Rand.	...	.01	.01	.03
Lebel Oro	...	.01	.01½	.01½
M				
Man. & Eastern	...	.00½	.00½	.00½
Maralgo	...	.02½	.02½	.04
McLellan Gold	...	.02	.01½	.02
MeVittie Graham	...	.04½	.06	.09
Mentor Exploration	...	.20	..	..
Minto Gold	...	.00½	.00½	..
N, O				
Nicola	...	.00½	.00½	..
Norgold	...	.03½	.03	.03½
Northern Empire	.30	1.80	1.50	..
P, Q, R				
Pandora	...	.01½	.02	.03½
Partanen Mal.	...	.01½	.01	.02
Pawnee Kirk	...	.00½	.00½	.01
Prem. Border	...	.01½	.01½	.01½
Prospectors Air's	...	.15	.12½	..
Quebec Gold	▲.02	.20	.22	..
Quemont	...	.02	.04	.07½
Red Crest	...	.00½	.00½	.02
Reeves McDonald	...	.25	.25	.28
S, T, U, W, Y				
Salmon Gold	...	.00½	..	..
Shawkey	...	.00½	..	.02
Silbak Prem.	.16	.51	.50	..
Sudbury Contact	...	.02½	.02½	.03½
Surf Inlet	.01	.06	.02½	..
Taylor Bridge	...	.02	.02	.04
Temiskaming	...	.03½	.03½	..
Wellington	...	.01½	.01	.02
Whitewater	...	.03	.02½	.03
Wiltsey Coughlan	...	.02½	.02	..
Wpg. River Tin	...	.00½	..	.00½

Oil Stocks

	Div. rate	Last sale	Dec. 21 Bid	Ask
Acme Gas & Oil	...	.11	.06	.08
Ajax	...	.13	.11	.14
Amalgamated	.04	.15	.07	.15
Federated Pete	.01½	.32	..	..
Grease Creek	...	.01	.00½	.02
Madison	...	.01½	.01½	..
Marjon Oil	...	.01½	.01½	..
Marvel Oils	...	.04	.02½	.04½
Model	.03	.18	.17	.21
National Pet.	...	.04½	.04½	..
Oil Selections	...	.03½	.03	.03½
Petrol Oil & Gas	.04	.25	..	..
Royal Can. Oils	...	.03½	.03½	.04
South West Pete	...	.15	..	.30
Spooner	...	.03	.04	..
Sunset	.03	.07	.07	..
Vanalta	...	.04½	.04½	..
Vulcan	...	.20	.19	.25

▲Paid in 1941.

Municipal Bonds

Dec. 22, 1942

	%	Due	Bid	Ask	% Yld.
†Halifax	5	1961	113.50	116.50	3.77
Hamilton	5	1950	110.25	113.25	3.00
Montreal	5	1945	95.00	98.00	*
Ottawa	4½	1945	104.00	105.50	2.35
†Quebec	5	1959	109.50	112.25	4.00
Saint John	5	1950	106.50	109.50	3.63
†Toronto	4½	1955	117.50	120.50	2.53
†Vancouver	5	1970	102.00	105.00	4.67
Winnipeg	5	1944	100.00	103.00	2.54

†Payable Can. & N.Y. *Flat.

Annual Meetings

1942	Company	Place
Dec. 30	Turner Valley Oil	Calgary
1943		
Jan. 8	Banque Can. Nationale	Montreal
Jan. 14	Provincial Bank	Montreal
Jan. 13	Kelvinator of Can.	London, Ont
Jan. 14	Royal Bank	Montreal
Jan. 20	Bank of Toronto	Toronto
Feb. 3	Bank of Nova Scotia	Halifax

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Eastern Car	†6%	1952	Jan. 1	105
Nfld. Pr & P.	▲5½%	1970	Jan. 15	105
McCormicks	‡4½%	1952	Jan. 1	102
Stand. Lime▲	6%	1944	Feb. 1	102
Atlantic Sugar*	4%	1951	Mar. 1	102

†$52,000. ‡$65,000. ▲$21,500. *$22,000.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

December 22, 1942

Public Utility Issues:	Int. % Rate	Due	Dec. 22 Bid	Ask.	Dec. 15 Bid
▲‡Alg. Cen. H.B.R.	5	'59	19½	21½	19½
†Assoc. Tel. & T.	5½	'55	79½	81½	79½
B. C. Power	4½	'60	100	102	99
B. C. Tel.	4½	'61	105½	107½	105½
†Calgary Pwr.	5	'60	111	113	111
Do.	5	'64	105	107½	105
†Can. Nor. Pwr.	5	'53	100½	102½	99½
*Dom. Gas & El.	6½	'45	108½	110½	108
Gatineau Pwr.	5	'49	101	103	101
•Do., A	3½	'69	101	103	101
♦Do., B	3½	'69	98½	101	98½
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'57	98½	101	98½
*Int. Hydro-El.	6	'44	46½	49½	47½
▲Inter. Power	6	'55	100½	..	100½
L. St. Law. Pwr.	5	'55	101	..	100
Macl'n-Que. Pr.	4	'59	101	103	100½
Mtl. L. H. & Pr.	3½	'56	103	105	102½
Do.	3½	'73	101	103	100½
Do.	3½	'63	101½	103½	101
†Mtl. Tramways	5	'51	101½	103½	101½
†Do.	5	'55	84	87	87
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102½	104½	102½
Ottawa V. Pwr.	5	'59	101	103½	101
†Power Corp.	4½	'59	92	95	92
Quebec Pwr.	4	'62	103	105	102½
•Saguenay P.	4½	'66	108	..	108
♦Do., B	4½	'66	105½	108½	106
St. Maurice Pr.	4½	'70	103½	105½	103½
Shaw, W. & Pr.	4	'61	104½	106½	104
Do.	4	'69	104	106	104
Union Gas	4½	'50	96	99	96
•Twin C. R. Tr.	5½	'52	95½	98	96
†United Secs.	3	'52	94½	96½	94½
‡Wpg. El. ser. A.	5	'65	92	94½	92½
Do., B	5	'65	83½	86½	84
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	58	61	57½
Do., C.O.D.	5	'53	57	60	57
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	95	97½	95
†Alta Pa. Grain.	6	'46	105	107	105
Algoma Steel	5	'48	103	106	103
Atlantic Sugar	4	'51	101	103	101
†B. C. Pulp & P.	6	'50	88	91	86
‡†Do.	7	'50	120	125	117½
•Brown Co.	5	'59	77	80	75
Burns & Co.	5	'58	77	79½	75
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'65	96	99	96
Can. Paper	4½	'52	99½	102	99½
Can. Steamship.	5	'57	103	105	102½
Can. Canners	4	'51	101½	103½	101½
*Can. Int. Paper.	6	'49	105	107	105
‡Can. Locomotive	6	'53	99½	102½	97½
‡†Candn. Vickers	6	'47	97	100	97½
C.P.R.	3½	'51	96½	98½	96½
Do.	4	'49	100½	102½	101
Col. Steamships	6	'54	101½	103½	101½
†Consol. Paper	5½	'61	67	70	63½
Dom. Coal	4½	'52	97½	100½	97½
Dom. Scott. Inv.	4	'52	98	101	98
Dom. Stl. & Co.	6½	'55	105	107	102½
Dom. Tar	4½	'51	102½	105	102
Dom. Woollens.	6	'53	98	100½	97½
†Donnacona Pap.	4½	'56	76½	79½	76½
*Dryden Pap.	6	'49	103	..	103
†East. Dairies	6	'49	82	85	82
Famous Players	4½	'51	101½	103½	101½
†Federal Grain	6	'49	106	108	106
†Fraser Cos.	6	'50	103	..	103
Galt Brass	5	'50	95	98	95
Gen. Stl. Wares	4½	'52	102	104	101½
*Gt. L. Paper	5	'55	92½	95	92
•Gurney Fdry.	5½	'49	88½	..	88
†Gypsum Lime	5½	'48	103	105	103
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'56	100	103	100
Inter-City Bak.	5½	'48	102½	105	102
Indust. Accept.	4	'52	84½	87½	84
Ins. Ex. Bldg.	3	'51	53	56	53
*Inter. P. Nfld.	5	'68	96½	99	96½
*Inv. Bond & Sh.	5	'47	39	42	33

Corporation Bonds (Cont'd)

	Int. % Rate	Due	Dec. 22 Bid	Ask.	Dec. 15 Bid
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	81	84	78½
Do.	5	'61	53½	56½	47½
Legare	6	'61	88	91	88
Maple L. M.	3	'58	94½	97	94½
Man. Sugar	5	'60	103	105½	103
Massey-Harris	4½	'54	98	100½	98
McColl-Fron.	4½	'49	100	102½	99½
McCormicks	4	'52	98	101	98
Do.	4½	'52	104	106	104
Mercury Mills	5	'59	95	98	95
Mersey Paper	5	'57	91	94	91
†Do.	6	'49	92	95	92
•M. & O. Paper	5	'60	103½	105½	103½
Moirs Ltd.	6	'53	75	80	75
‡Mtrl. Drydocks.	6	'48	86½	89½	86
Montreal Apts.	4	'54	47	50	47
Nat. Grocers	4	'47	101½	..	101½
N. S. Stl. Coal	3½	'63	81½	84½	81½
Price Bros.	5	'57	92	96	91
Do.	4	'57	72	..	71
*Prov. Paper	5½	'47	104	107	103½
Reliance Grain.	4½	'52	99½	101½	99
†Restigouche Co.	6	'43	102	..	102
Rolland Paper	4½	'51	101½	103½	101½
Ruddy, E. L.	6½	'43	78½	81½	78
Silv. Dairies	6	'66	94½	97	94
Simpsons, Ltd.	4½	'51	100½	102½	100
Smith, Howard.	4½	'51	103	105	103
Stand. Lime	6	'44	98½	..	98½
Sterling Coal	6	'45	99	101	98½
Stop Shop	3	'47	62	65	62
United Amuse.	5	'56	100	102½	100
United Corp.	5	'53	95	98	94½
*United Gas	5½	'46	105½	108½	105½
United Gr. Grs.	5	'48	101	103½	101
†Western Grain	6	'49	71½	74½	67½

*Payable in Can. or U.S.
†Payable in Can., U. S. or U. K.
•Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

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Weekly Bank Clearings

	Dec. 17 1942 $	Change Year ago %	Dec. 10 1942 $
Halifax	3,500,190	—21.7	3,712,343
Saint John	2,418,056	+5.0	2,538,036
Moncton	1,116,895	—19.0	1,590,760
Sherbrooke	1,235,004	+23.9	860,883
Quebec	7,056,407	+12.2	5,583,402
Montreal	148,485,068	—10.4	121,729,158
Ottawa	49,313,779	+20.4	105,241,387
Kingston	854,029	+6.9	817,049
Peterborough	894,133	+3.0	727,426
Toronto	156,805,146	—6.6	129,931,457
Hamilton	7,387,772	—1.9	6,238,817
St. Catharines	1,467,309	—0.1	1,372,572
Kitchener	1,486,307	—0.7	1,119,741
Brantford	1,212,240	—4.1	1,177,574
London	3,843,281	+22.6	2,947,643
Chatham	868,580	—11.5	591,908
Windsor	4,489,798	+0.6	3,643,706
Sarnia	712,722	+20.3	598,916
Sudbury	1,105,774	+6.2	1,012,962
Ft. William	1,506,153	+28.5	1,062,141
Winnipeg	59,418,533	—1.6	57,205,702
Brandon	583,731	+21.2	541,253
Regina	6,319,788	+20.5	7,130,812
Saskatoon	2,043,146	+20.2	1,920,564
Prince Albert	598,661	+22.2	661,484
Edmonton	7,378,920	+6.7	7,201,030
Calgary	8,600,802	+14.7	7,841,561
Lethbridge	1,059,661	+36.9	845,275
Medicine Hat	478,581	+19.7	435,748
N. W'minster	1,024,389	+30.4	925,435
Vancouver	26,434,525	+29.2	25,543,770
Victoria	1,842,3[illegible]3	—3.1	1,965,041

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Discuss War Clause In Fire Ins. Policy

Insurance Men Seek Clarification of Liability Under Standard Insurance Contract for Damage Due to War

To remove uncertainty regarding divisions of liability between the insurance companies and the Dominion Government war risk insurance scheme for fire damage due to war, the companies and provincial superintendents of insurance are studying a revision of the statutory conditions in the standard fire policy.

The clause causing the difficulty is that dealing with risks not covered, which states that an insurance company shall not be liable "for loss or damage caused by invasion, insurrection, riot, civil commotion, military or usurped power." Any changes which may be made will, of course, have to be made in cooperation with the Dominion authorities.

Main object is to define where the liability of one ends and another begins. Normally the regulation of an insurance contract is a matter of provincial jurisdiction.

Dominion's Position

The position of the Dominion government has been that it has no intention of invading a field that should reasonably be filled by the regular insurance business. Its object is to give coverage which is not available elsewhere. In general, it has been felt that damage due to open hostilities was outside the field of the companies. But doubt arose as to where liability lay in certain cases.

In a statement by Finance Minister Ilsley recently, the liability of the government, under the war risk plan, for fire damage following an explosion of a concentration of munitions, was admitted. But there are various other points on which there still is doubt.

For instance, in the statutory condition noted, the companies are absolved from liability for damage due to invasion. Some have raised the point as to what is meant by invasion. If it means the landing of a force, and the occupation of territory, then it might still leave a policyholder free to make a claim against a company for damage caused by bombardment from the sea or bombing from the air provided there was no force landed. Such a claim would be contrary to the general interpretation of the position of the company. But the legal limit of their liability is not sufficiently definite.

Plans Complementary

Insurance men state that the war risk plan and the insurance available from the companies are intended to be complementary, one giving protection which the other does not.

Under this arrangement, normally, damage due to sabotage would come under the company policies. Thus fire damage in a factory making war supplies, caused by a secret enemy agent would, it is understood, be insurable by a supplemental contract added to the ordinary fire policy.

Other Policies

There are also war clauses in automobile, plate glass, and burglary insurance policies excluding the companies from liability for damage due to certain war conditions. Accordingly property owners are wise to study the exclusions in their regular policies to make sure they will not be disappointed if a loss occurs by finding they are not covered against some hazard for which they thought they were insured.

Would Amend Theft Clause In Standard Auto Policy

Efforts are being made to have the standard automobile insurance policy amended to include theft insurance on automobile equipment away from the automobile. At present, if the tires or the battery of a car have been detached and taken away from the vehicle and are stolen, the policy does not provide for any indemnity.

Many people who are laying up their cars, are removing tires and batteries and storing them. Hence the demand that the terms of the policy be broadened.

It is proposed to make an amendment that will indemnify the policyholder against direct loss of or damage to not more than five wheels, tires and tubes and one battery which may have been detached and stored in the residence of the policyholder.

The insurance thus given would be contingent on there being no wheels, tires, tubes or battery on the car at the time of the loss or damage.

The intention is to extend the theft insurance given by all policies for the duration of gasoline rationing. Automobile insurance company executives have been asked to submit their comments to the Association of Provincial Superintendents of Insurance.

International Bronze Powders' action in reducing the dividend on the common stock from 37½ to 20 cents a share is in line with the intimation given in the annual report. Volume of business handled by the company's subsidiaries is well up to capacity, with earnings comparable to a year ago. The decision to cut the dividend arises from uncertainty over the tax situation.

The Magic of Christmas

The word "Christmas" sums up everything we are fighting for.

It symbolizes home, family and friendship.

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The spirit of Christmas has found practical expression in life insurance. It is noteworthy that three-quarters of all the life insurance in the world is owned in Anglo-Saxon countries.

As a contribution to perpetuating the spirit of Christmas, London Life representatives are helping Canadians provide for their families against want, and are assisting in accumulating funds to win the war,—both of which are essential to full enjoyment of life.

We take this opportunity to pay full tribute to our sales organization. We are proud that 215 London Life agents are in the armed forces. Those left are cheerfully carrying a heavier load in the knowledge that they are rendering a real service not only to individuals but to the country itself.

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Gives Rulings On Income Tax

Official Interpretation of Clauses Affecting Life Insurance Published

In a memorandum prepared by C. Fraser Elliott, commissioner of income tax, Ottawa, clauses of the Income War Tax Act applying to life insurance and annuity premiums are interpreted in layman's language.

Deductions from compulsory savings allowed for premiums on different type of policies are explained, and questions regarding the application of the Act to life insurance and annuities are answered.

The memorandum, intended originally for income tax inspectors, has since, with Mr. Elliott's permission, been reprinted in pamphlet form by the Canadian Life Insurance Officers Association and has been made available at local income tax offices. The pamphlet also contains the full text of the Section 7A added to the Act at the last session of parliament, dealing with insurance and annuities.

Provincial Borrowings From Banks Decrease

Total Loans About 21% of 1939 Level—Increased Revenues and Dominion Guaranteed Subsidies Are Factors

Since the beginning of the war, borrowing by the provincial governments from the chartered banks has been showing a steady decline. At the end of October, the latest date for which figures are available, total borrowings by the nine provinces were a little over $4 millions, the return of the banks to the Minister of Finance shows.

This is less than half the total a year ago and a little more than 21% of the figures for Oct., 1939.

With the exception of May, the 1942 figures have been lower than in the corresponding months since 1939.

Increased Revenues

Increased revenues of the provinces appear to be the main reason for the decline in borrowing. They have been sufficient to take care of an increase in expenditures, and to enable the provinces to live fairly well within their means.

The accompanying table shows the total loans of the banks to the provinces since Jan. 31, 1939.

Bank Loans to Provincial Governments
Thousands of dollars

	1942	1941	1940	1939
January	9,124	11,075	13,396	21,026
February	10,485	12,582	14,867	21,710
March	10,265	12,267	17,698	22,660
April	10,399	11,616	17,300	22,387
May	16,560	12,154	15,898	21,837
June	11,839	14,743	16,339	18,511
July	3,716	13,413	14,569	13,816
August	4,248	13,815	14,531	16,635
September	4,503	10,691	14,612	15,530
October	4,000	8,392	13,967	18,454
November	.....	14,319	13,805	16,668
December	.....	15,036	16,521	15,709

These show the decrease from the preceding year as being most marked after June, 1942. This, it is believed, reflects the agreement between the Dominion and the provinces under which the latter gave up the provincial income tax in return for certain guaranteed subsidies. The guarantee enables the provinces to budget their affairs more certainly than when actual collections might not come up to expectations or might be delayed. A sharp increase in borrowings in May is believed due to borrowing by the provinces pending receipt of their first revenues from the Dominion under the new system.

Liquor Revenues

An important element in current provincial revenues is an increase in liquor sales. Revenues from this source in Ontario at $13.7 millions for the last fiscal year compare with $10.5 millions in the previous period. Revenue from gasoline sales is not likely to be affected by rationing because the Dominion has guaranteed to make this good at the 1940 level.

Some Economies

While provincial expenditures have been showing increases in some directions it is believed there has also been economy in others. For instance, men and women employees who join the armed forces in many cases are not replaced. The result is a reduction in the number in the provincial civil services. Expenditures on health, education, etc., have shown some increases.

Canadian Foreign Investment Corp.'s shareholders have approved a by-law providing for changes in capital and surplus arising from cancellation of 4,157 preferred shares.

Two More Timber Limits Change Hands at Coast

Evidence of Pressure On Few Remaining Unexploited Lumber Areas Seen in Latest Transactions

From Our Own Correspondent

VANCOUVER.—Competition for the last great stands of commercial timber in British Columbia's famous Douglas fir belt continues intense, and during the past few days two important transactions involving several millions of dollars were completed.

One deal—the sale of Canadian Robert Dollar Co. sawmill and timber holdings at Dollarton on Burrard Inlet and on Vancouver Island, to Northwest Bay Logging Co.—marked the final milestone in the colorful corporate career of the Dollar family which reached its peak soon after the turn of the present century.

Northwest Bay Logging Co. is a subsidiary of the huge H. R. MacMillan timber interests. The last valuable Canadian property of a great shipping and lumber magnate of another day has passed into the control of his modern counterpart.

About two years ago the Dollars purchased the Alworth timber holdings on Vancouver Island at a price of approximately $2 millions and carried out considerable development there.

Wartime Changes

The Dollarton mill, built close to the site of Captain Dollar's original millsite from which his schooners pioneered the China lumber trade forty years ago, was erected during the last war and recently modernized. It was an important factor in the export business, but lost some of its status when wartime shortage of shipping diverted much of the lumber shipments to the transcontinental railroads for which the Dollarton mill was not equipped.

The other timber purchase was made by the Danish East Asiatic shipping interests, who have acquired some 300 million ft. of standing timber on Vancouver Island near the Elk River holdings and the forest owned by the Lord Rothermere estate.

It is expected that when business conditions become normal the Danish capitalists represented will build a sawmill to serve as a feeder for their cargo ships that before the war called frequently at west coast ports. Meanwhile a $1 million logging corporation has been incorporated to develop the property.

Pressure for Properties

These two deals, while not nearly so big as that which saw the transfer of a vast timber tract in the Nimpkish river valley, Vancouver Island, to Puget Sound Pulp & Timber Co. were significant of the constant pressure being exerted on the holders of desirable timber properties.

Among the lumber groups reported anxious to extend their holdings are the Koerners, Czech sawmill men who came to this country shortly before the war and who have built up one of the most enterprising lumber businesses in the province, and the Pics and Bentleys, another former European group who have been operating under the name of Pacific Veneer and have become a big factor in plywood and lumber manufacture.

But most of the best timber in the lower coast section of British Columbia remains in the hands of the Big Five who probably represent more than 80% of the available forest in that section. The Big Five, all keenly competitive with each other, are as follows, not necessarily in the order of the extent of their holdings:

Victoria Lumber & Manufacturing Co., with sawmill at Chemainus;

Canadian Western Lumber Co., with logging camps on Vancouver Island and mill at Fraser Mills;

Bloedel. Stewart & Welch, with logging camps and mills at Port Alberni and Great Central;

Puget Sound Pulp & Timber (Canadian Forest Products, Ltd.) with timber in the Nimpkish valley;

H. R. MacMillan interests, with mills at Port Alberni and on the Fraser River.

War Risk Insurance Placed Totals $1,250 Millions

Property insured under the government's war risk insurance plan up to the end of October totalled $1,250 millions, according to a statement by Finance Minister Ilsley.

This was bought mainly in British Columbia, Ontario and Quebec. Distribution in the various areas was British Columbia, 26%; Prairies, 6%; Ontario, 26%; Quebec, 32%, and the Maritimes, 10%.

The returns, according to Mr. Ilsley, indicate that the interest of industrial and commercial property owners has been much greater than that of home-owners, which is probably due to the free compensation up to $3,000 allowed the owner occupier of a home. Said Mr. Ilsley:

"What is apparently not realized by many home-owners is that this $3,000 is the maximum amount payable under the free compensation provisions, and that it may be considerably reduced by reason of the owner's equity being less than $3,000. The owner-occupier of a dwelling-house cannot receive compensation greater than his equity."

The total value of property covered by fire insurance in 1941 was $13.3 billions, which includes residential and farm properties.

A survey of Canadian cities shows that approximately 40% of homes are occupied by the owners. These are entitled to the free indemnity. Landlords of the others are not covered. Of the owner-occupied homes about 40% have mortgages on them, which would reduce the amount of compensation accordingly. In such cases mortgagees who are not entitled to the free compensation, may insure their interest by buying insurance under the plan.

New High Seen In Note Issue

Bank of Canada Circulation $680 Millions—Deposits Lower

Further rise in note circulation to $680.4 millions, a new high, is the main feature of the statement of the Bank of Canada for the week ended Dec. 16. The rise is attributed to the heavy demand for cash for the Christmas trade. Deposits of the Dominion government were higher during the week while those of the chartered banks were lower. Total deposits were down $10.5 millions.

Assets were slightly lower.

	Dec. 16 1942	Dec. 9 1942
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	680,449,297	672,708,760
Rest fund	5,585,705	5,585,705
Deposits: Dom.	36,966,116	37,327,088
Banks	250,333,689	261,236,675
Other	13,581,463	12,774,042
Total deposits	300,881,268	311,337,805
All other	15,452,008	14,030,993
Total liabs.	1,007,368,278	1,008,663,203
Assets		
In Sterling & U. S.	500,907	500,907
Subsid. coin	86,169	66,432
Advances	2,250,000	2,250,000
Investments:		
Dom. gov. sh.	784,606,252	787,359,389
Other Dom. gov.	207,531,294	204,585,594
Total invest	992,137,546	991,944,983
Premises	2,226,635	2,219,033
All other assets	10,167,021	11,681,868
Total assets	1,007,3[illegible]278	1,008,663,203

Staff Changes

The Royal Bank of Canada announces the following staff changes:

J. HOWAT, supervisor's department, Vancouver, to be manager, McKay, B.C.

D. R. SUTHERLAND, manager, Arvida, Que., to be manager, Inverness, Que.

F. W HILL, accountant, Fergus, Ont., to be accountant, St. Thomas, Ont.

W. H. PRIDGEON, to be accountant, Sydney, N.S.

C. N SHINGLER, accountant, Moose Jaw, to be accountant, Regina.

E. P. WEARY, manager, Inverness, Que., retired on pension.

W. A. RENNISON, manager, Steveston, B.C., granted leave of absence to engage in military service.

The Bank of Nova Scotia announces the following staff changes:

R. C. CLARK to be assistant manager, New Glasgow, N.S.

H. W. SAINTHILL, to be manager, East Florenceville, N.B.

S. C. STEVENS, to be manager, Hintonburgh, Ottawa.

Insurance Notes

Ellis Millard, former advertising manager of the Ford Motor Co. of Canada has become associated with the Dominion Life Assurance Co. as sales representative in Southampton, Ont., and district.

J. D. Buchanan, assistant general manager and chief actuary of the London Life Insurance Co., has been elected president of the London, Ont., Community Chest. Mr. Buchanan is president of the Y.M.C.A. at London and a past president of the London Chamber of Commerce.

To Our Agents
and Policyholders
We Extend
Season's Greetings
EAGLE STAR
INSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
British Crown Assurance Corporation Limited
British Northwestern Fire Insurance Company
Security National Insurance Company
Head Office for Canada: TORONTO
Branch Offices: WINNIPEG, VANCOUVER

MORDEN, HELWIG & FERRIE LIMITED
Insurance Adjusters
Automobile, Casualty, Fire and Allied Lines, Inland Marine
HAMILTON, LONDON, WINDSOR, KITCHENER,
ST. CATHARINES, SARNIA, CHATHAM, OWEN SOUND

SERVICE SAVING SECURITY
Fire and Allied Lines Written in Associated Companies
Automobile and General Casualty Insurance
Lumbermens
MUTUAL CASUALTY COMPANY
Agency Inquiries Invited
"THE SAFETY-MINDED COMPANY"

Banking Service
1817-1942
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £150 millions.
Over 870 branches in Australia, New Zealand & Pacific Islands)
London Offices at
29 Threadneedle St., E.C.2.
and 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

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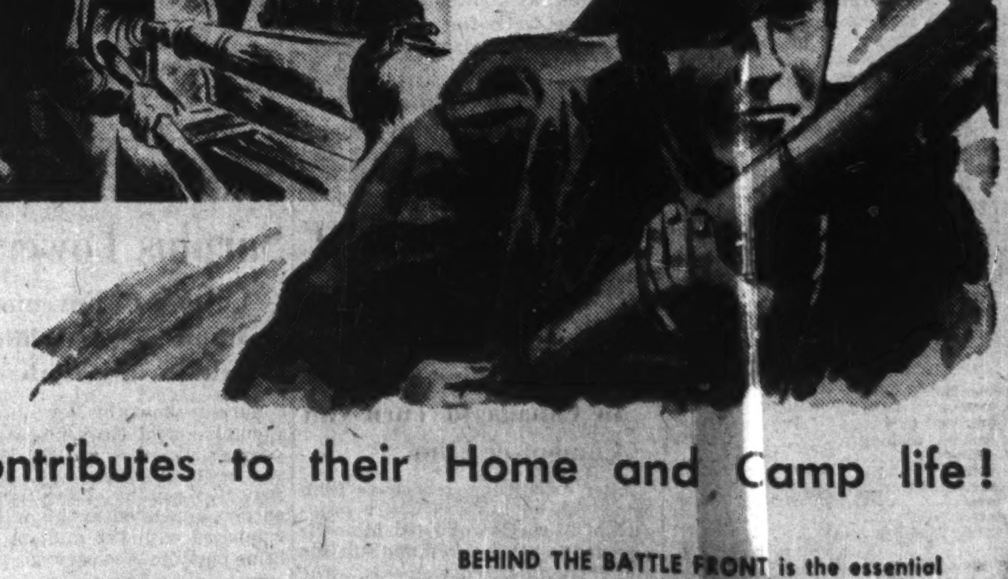

contributes to their Home and Camp life!

FIRE
PROTECTIVE
BEHIND THE BATTLE FRONT is the essential and vital "home" front—the training quarters for our Armed Forces—the homes of soldiers' families—the homes of munition workers—the homes of countless men and women who contribute to our war effort.

Here, on the "home" front, GYPROC WALLBOARD and GYPROC LATH AND PLASTER are "doing their bit"—providing sturdy, handsome walls and ceilings with positive *fire protection*, while GYPROC WOOL INSULATION gives summer and winter comfort—with important *fuel savings*.

Go where you will, GYPROC Products are serving in a practical way—in wartime as in days of peace.

11-43

Gypsum, Lime and Alabastine, Canada, Limited
HEAD OFFICE PARIS ONTARIO CANADA
VANCOUVER CALGARY WINNIPEG TORONTO MONTREAL

U.S. Not Financing Steep Rock

Reports in Error; $5 Million Prior Issue Planned

Contrary to published statements Steep Rock Iron Mines does not expect to receive money from the U. S. Government, officials of the company say. Financing details have been worked out and there are no plans for seeking U. S. Government funds.

Initial financing, for which statements have been lodged with the Securities Exchange Commission, embraces $2,250,000 of debentures. These are underwritten by Cyrus Eaton, Otis & Co., and their U. S. associates, and it is expected they will eventually be issued to the American public with a bonus of Steep Rock common shares.

This issue will be followed by a $5 millions prior lien mortgage issue, also to be bonused with common shares, it is understood.

Good-Sized Stock Issue

A considerable block of common shares is expected to go to the public, underwriters, etc., to make the bond issue attractive. It is likely that 37% of the issued common shares will be handled this way. There are at present 3,364,005 shares issued, so it is possible that there may be something over the present authorized capital of five million shares issued when all proposed financing is completed.

While no official statement is available, it is understood that with the $7.25 millions of financing, the company expects to have ample working capital in its treasury for carrying out development plans and servicing security issues until returns from production come in, leaving over a balance for any contingencies.

May Save On Interest

At one time $6 millions was mentioned as the amount needed to place the property in production. It is not known what later adaptation of plans has meant in the way of costs but if the property is placed in production earlier than previously projected, a saving in non-operating interest charges seems likely to be a result.

The company will have financial assistance from Dominion and Ontario Governments. The Dominion will provide between $2 and $2.5 millions for loading dock facilities, will provide railroad facilities through the C.N.R., and is granting a subvention on the first million tons of ore. As the subvention will apply during the period when sinking funds requirements on debentures will have to be met, it will help at the time when assistance will be most beneficial.

A hydro-electric power line is to be constructed at an estimated cost of $1 million by the Ontario H.E.P.C. A $600,000 bond will be put up as security by Steep Rock, according to a bill submitted to the Ontario Legislature some time ago.

Northern Canada Work Extensive

But Only Limited Encouragement Received — Nets 5.5c. in Year

Exploration was carried on by Northern Canada Mines in three ways last year, directly, in association with a group of other companies, and in conjunction with Kirkland Lake Gold Mining Co. While extensive work was completed, no outstanding discoveries were made. However, encouraging indications were secured in some places.

Efforts were chiefly to find strategic minerals. Work was concentrated to some extent in British Columbia in conjunction with Howey Gold Mines, Coniagas, Pioneer, Prospectors Airways and Kirkland Lake Gold Mining Co.

Operations of Kirkland Lake Gold Mining Co., in which a substantial share interest is held, were affected by the Kirkland Lake strike and the subsequent labor shortage caused by the war. Earnings were thus lower at 5.5 cents a share against 7.3 cents the year before. Market value of securities showed a decline of slightly over $200,000 to $376,029.

Income and Surplus Account
Years Ended Sept. 30

	1942	1941
	$	$
Interest & dividends ..	65,256	83,377
Less: Expenses	9,811	9,954
Net profit	55,445	73,423
Add: Prev. surplus ..	194,088	120,665
Surplus forward	294,533	194,088
Earnings per Share and Dividend Record:		
Earned	$0.055	$0.073
None paid.		
No. of Shs. Outstand.	1,000,000	1,000,000
Working Capital		
	$	$
Current assets	55,439	57,427
Current liabilities	1,498	126
Working capital*	53,941	57,301

*In addition, company had shares in other companies with market value of $376,029 in 1942 and $584,165 in 1941.

Commonwealth Net Maintained

President Charges Oil Companies Discriminated Against in Taxes

"While all enterprises must bear their portion of the country's demands in way of taxes, we believe that the oil companies have been unduly discriminated against in the method of computing income taxes and until these adverse factors are properly considered, development will have to proceed very cautiously." So states F. F. Reeve, president, in the annual report of Commonwealth Petroleum for the year ended Sept. 30.

While no dividends were received from Commonwealth Drilling Co., a subsidiary, earnings totalled $105,821 or 5.3 cents a share, practically unchanged from the previous year. Substantial revaluation of holdings was carried out with surplus forward totalling $57,078 at the end of the year compared with $90,282 the year before.

Besides subscribing to three victory loans, the company has placed $47,805 in listed securities. Plans call for maintenance of a strong liquid position, the report states. An interest is held in a tract of possible oil land through Ace Royalties.

Income and Surplus Account

	Year ended Sept. 30 1942	13. Mos. to Sept. 30 1941
	$	$
Dividends:		
Commoil	18,883	22,776
Command Oils	79,241	20,698
Common. Drilling ..	......	35,998
Sundry	369	......
Royalties*	14,182	43,642
Management fees	6,000	6,200
Interest	1,305	3,286
Transfer fees	92	57
Profit on royalties	......	6,842
Net income	120,072	139,499
Less: General exp. ...	9,289	13,194
Taxes	4,962	20,617
Net profit	105,821	105,688
Less: Dividends	50,979	39,986
Surplus for year	45,842	65,702
Add: Prev. surplus ..	90,282	36,162
Less: Adjust. (net) ..	6,506	11,582
Loss on assets (net) .	72,540	......
Surplus forward	57,078	90,282
*After depletion allowance.		
Earnings per Share and Dividend Record		
Earned	$0.053	$0.053
Paid	0.03	0.02
No. of Sh. outstanding	1,999,309	1,999,309
Working Capital		
Current assets*	142,409	155,250
Current liabilities ...	13,845	20,409
Working capital*	128,554	134,841

*Not including investments of $640,834 in 1942 and $622,302 in 1941.

Sales of Radio Sets Drop Off Sharply

Sales of radio receiving sets by Canadian manufacturers were sharply lower in the quarter which ended in September. In the three months, 35,520 units, valued at $2.5 millions, were sold compared with 120,573 units in the corresponding period of 1941. Manufacture of radio sets has been sharply curtailed and in the third quarter of 1942 totalled 16,255 compared with 114,470 in the same period of 1941.

The Week in Oils

From Our Own Correspondent

CALGARY.—Three outstanding items of news focused attention this week again on the west flank of the north Turner Valley extension, the most highly productive section of Canada's principal oilfield.

The first item concerns Home-Millarville No. 12, the field's deepest producer, recently completed in the north extension area. The well has been assigned a temporary allotment of 400 bbls. per day pending completion of tests and determination of bottom hole pressure.

The size of the allowable is particularly important because this well is producing from the upper porous horizon of the Madison only, the lower porous having been cemented off because of water intrusion. The well topped the lime at 8,555 ft., 4,408 ft. below sea level, and was drilled to a total depth of more than 9,000 ft. After the lower porous was plugged off, the upper horizon was treated with 4,250 gallons of acid, developing a flush flow of 36 bbls. hourly.

* * *

Upper Zone Prolific

The very substantial temporary allotment confirms the high productivity of the upper porous in the north extension area. That fact is important to other wells which, because of great depth and proximity to water, may have to forego the lower porous and tap the upper horizon only.

Experimental operation is still in progress at rates up to the temporary quota. Gas-oil ratio, which was in the 2,500 to 3,000 cu. ft. per bbl. class in first runs after completion of acidizing, is now reported reduced to between 1,600 and 1,700 cu. ft. per bbl., as a result of careful operation.

* * *

Northclonmel Tops Lime

The second news item concerns Northclonmel Royalties No. 1, highly important test located three eighths of a mile southwest of Atlas-British Dominion 2 (the field's most northerly producer), and nearly two miles northwest of the Home-Millarville 12 well.

Northclonmel was reported in the top of the Madison limestone objective last Saturday at approximately 8,463 ft. With surface elevation 4,186 ft., the indicated Madison elevation is about 4,280 ft., below sea level, only 140 ft. lower than the lime contact at Atlas-B. D. 2, and about 130 ft. higher than the contact at Home-Millarville 12.

The lime contact at Northclonmel indicates a levelling out of the plunge of the Madison west of Atlas-B. D. 2. The elevation provides reasonable assurance that the well may expect water-free oil production in both porous horizons of the lime.

* * *

The Madison "Upturn"

The third important item concerns Miracle Royalties No. 3, key test located quarter of a mile south of Alberta Oil Incomes 2, and three quarters of a mile south and quarter of a mile east of Home-Millarville 12.

The Madison lime contact at Miracle reported by The Financial Post last week has now been confirmed by the Conservation Board at 7,870 ft., at an elevation of only 3,835 ft. below sea level. This elevation compares with elevation of 4,254 ft. at Alberta Oil Incomes 2, and 3,962 ft. at Home-Millarville No. 7, which is located quarter of a mile to the east.

Miracle 3 thus, for the first time, provides definite evidence of a limestone uplift to the west of Turner Valley's current north extension producers. Drilling was halted at 7,957 ft., after confirmation of the lime, and production string of casing was set. Drilling to completion was slated to get under way the first of this week.

What has yet to be revealed by the bit at this location will be followed with close interest by the oil industry, because of the potential vital effect on numerous wells now drilling and locations as yet undrilled. While Miracle 3 has provided definite proof that a limestone uplift exists, the length, breadth and productive prospects have yet to be determined.

* * *

Major (Taber) Finances

Financing arrangements for Major Oil Investments (Taber) Ltd., drilling programme in the Taber area of southeastern Alberta were announced this week. The initial programme involves two wells, one in L.S.D. 12 9-9-17w4, the second in L.S.D. 1 11-9-17w4.

The programme is to be financed by a debenture and share issue, retirement of the non-interest-bearing debentures to be provided for from 50% of any net production obtained, the remaining net production to go toward further development.

The debenture plan assures return of invested capital to the backers of the programme, free of the current personal income taxes (which, under existing rulings, are drawing heavily on return of capital to royalty holders in wells financed by issue of royalties).

A total of $85,000 par value non-interest bearing debentures are being offered, together with 85,000 shares in the company. A $100 debenture will be offered at $95. With it must be purchased 100 shares at a total cost of $5. (Appreciation in share value resulting from discovery of oil on the company's property would thus be rated as a capital gain, and would be free from income tax.) The company is capitalized at 1,000,000 shares no par value, of which 125,000 shares were issued for the 640 acres the company holds at Taber, and a further 6,006 shares have been subscribed for cash (at 50 cents per share).

Eau Claire Mine Gets Best Mica

Reported First Property in Canada to Turn Out Condenser Film

After exhaustive tests, mica from No. 1 vein of the Eau Claire property of Mica Consolidated Mines is reported to have been found suitable for condenser requirements. The mine is said to be the first in Canada able to fill the demand.

According to Norman Vincent, president of Mica Consolidated, a production order for a large electrical manufacturer has shown Consolidated condenser film to be satisfactory. Its power factor loss is as low as .015. It is split into films of one thousandth of an inch.

Training Workers

This was done at the company's Bonfield plant where a course is being conducted to train the help needed for contracts now under negotiation.

Previous to this, all mica of this grade is stated to have come from India and Brazil.

Efforts are now being concentrated on the No. 1 vein with the idea of expanding operations there. The vein is 100 ft. long and open at both ends. Efforts will be made to determine the real dimensions of the vein and consideration is being given to carrying operations underground.

The company is said to be financed for all present requirements, with 30 people currently employed on producing mica. W. N. Rook, general manager of Philip Carey & Co. Ltd., asbestos producers, has joined the board of directors.

Nfld. November Surplus Lower

Customs Revenue in Month Eases While Expenditures Climb

Surplus shown by Newfoundland's Commission of Government in November slackened to $671,394 from $1.1 million a year ago. For the first five months of the fiscal year surplus amounted to $5.3 millions as compared with $3.8 millions for the same period of the previous year.

The total of advances as temporary non-interest bearing loans to the U.K. government for war purposes as at Nov. 30 amounted to $6.1 millions, exclusive of advances from the proceeds of the sale of war savings certificates.

Revenue and Expenditure
November

	1942	1941
Revenue:	$	$
Customs	1,584,022	1,684,604
Posts and tels.	94,930	89,031
Tax assessor	183,734	52,816
Natl. resources	54,275	35,623
Other	172,293	92,772
Total	2,089,254	1,954,866
Expenditure:		
General	1,417,860	840,839
Surplus	671,394	1,114,027
First Five Months		
Revenue:	$	$
Customs	8,724,340	6,916,735
Posts and tels.	540,442	402,098
Tax assessor	1,065,223	464,537
Natl. revenues	107,969	102,681
Other	737,618	438,725
Total	11,175,590	8,324,776
Expenditure:		
General	5,825,007	4,490,336
Debt. chges.	......	10,366
Surplus	5,350,463	3,824,074

Saguenay Power Co. has called a special general meeting of its shareholders to be held in Montreal, Dec. 28, for the purpose of approving two changes in the by-laws.

Mining INVESTMENTS

A mining engineer in close touch with the various gold mines in Canada's north country gives his viewpoint on the present situation as follows:

"There remains on gold mine payrolls a relatively minor proportion of men who are adaptable to other industries. In the last year there has been a reduction of 35% in tonnage mined and milled. This has been caused in part by the suspension of operation of many mines, but more by the lowering of tonnage of those mines in operation. No longer is profitable production the prime motive—and rightly so. This factor is being given full cognizance. Operating policies are being guided accordingly.

"But the industry must be protected and preserved for that period after the war when the exploitation and development of the resources of the north will resume its part in our national economy—as it has been in the depression years of the past decade and in the years of the war previous to Dec. 7, 1941."

* * *

Confidence in gold has experienced a resurgence. Reviewing this situation, Whaley-Eaton in its Dec. 12 American letter says:

"Gold is at a premium, in terms of paper currencies, in many parts of the world. The theory that gold will be abandoned as a monetary base, after the war, is not in accord with the actualities of the present."

* * *

The Alaska highway has resulted in a new discovery of gold, the Engineering and Mining Journal reports. It is a placer strike, in close proximity to Kimball Pass, Alaska.

Panning of gravels is said to be so profitable that some of the men have quit well-paid construction jobs to go placer-mining.

While some Alaska gold mines have been forced to close down by the WPB order affecting gold mines, 15 have been allowed to continue operations because they turn out strategic minerals. These minerals include copper, chrome, palladium, tungsten, antimony, platinum, zinc, lead, mercury and nickel.

* * *

Bralorne Mines is developing a cinnabar deposit on Silver Creek near Takla Landing, in the Omineca mining division, B. C. More than 30 men are at work. A tractor road more than 100 miles long is being constructed from Fort St. James to replace the water route, which is now frozen.

Following an extensive diamond drilling programme, a shaft is being sunk, it is stated. A programme of lateral exploration is planned. Consolidated Mining & Smelting Co. has acquired an option on the Snell group of cinnabar claims adjoining those now being developed by Bralorne.

* * *

Canada gold dredging companies, operating in South America, have experienced war difficulties. Production has suffered from supply and labor shortages but taxes haven't increased in South American countries as much as in Canada. This has been a real help.

Then the South American Gold dredgers — Pato Consolidated and Asnazu—have been able to bring earnings into Canada with an extra 10% exchange premium.

Bulolo, another dredging enterprise in which Canadians are interested, lost its property to the Japanese in New Guinea, but the market for its shares has experienced a revival in recent weeks as the reconquest of New Guinea has progressed.

Laidlaw & Co. 100 Years Old

Laidlaw & Co., New York brokerage firm with offices in Montreal and Toronto, recently celebrated its hundredth anniversary. The firm was established under the name of Heran & Lees in 1842 in New York City. Partnership changes accompanied growth and in 1849 the name was changed to Lees & Walker, and a close association with the development of California was begun.

Henry Bell Laidlaw joined the firm in 1854 and the present name of Laidlaw & Co. was adopted in 1873, following death of James Lees, the founder. By 1866 the firm, originally commission merchants, had become known as bankers. It started to buy and sell securities about 1878, when a membership on the New York Stock Exchange was secured.

The firm continued to expand and about 1901 opened its Canadian operations by acquiring a substantial stock brokerage "wire" business which included offices in Montreal and Toronto. Growth of the Canadian business led to wider coverage of the Dominion through correspondent relationships at Winnipeg, Vancouver and Halifax, as well as at St. Johns, Nfld.

A large gold credit arranged with a group of Canadian banks in 1906 enabled Laidlaw & Co. to assist the Bank of California following the disastrous fire and earthquake at San Francisco.

Then, in July, 1942, a union with Mackay & Co., another old New York firm, was arranged. Regarding its Canadian business under wartime conditions, the firm says:

"A substantial part of the firm's business originated in Canada. For this reason, Canadian wartime restrictions on security transactions have created a new problem in recent years. We have confidence, however, in the future of Canada and believe that there will be an even closer association between our countries in the years to come. Therefore, the Canadian branches and correspondent arrangements are being maintained in spite of the difficulties resulting from the present war."

Anaconda Issues Its Statement On Indictment

Following indictment of five of its officers, including the general manager of mills, on charges of conspiracy to defraud, H. Don Kerefy, president of Anaconda Wire & Cable Co., has issued the following statement, giving the company's side of the situation:

"Several weeks ago it came to the knowledge of the executives of the company that a charge was made that the inspection specifications upon a certain product produced for the Army Signal Corps had not been fully complied with. This product represents approximately 5% of the output of all mills of the company.

"None of the responsible officers or executives of the company had any knowledge of failure to comply, as instructions had been given to comply in detail with every prescribed specification for all products.

"Investigation was at once instituted by the company and every effort made to correct any deviation in compliance with inspection. Employees at fault were dismissed.

"The company has never received a complaint of failure of the product in service and has no knowledge of any such occurrence."

Charges Silver Senators Blocking War Effort

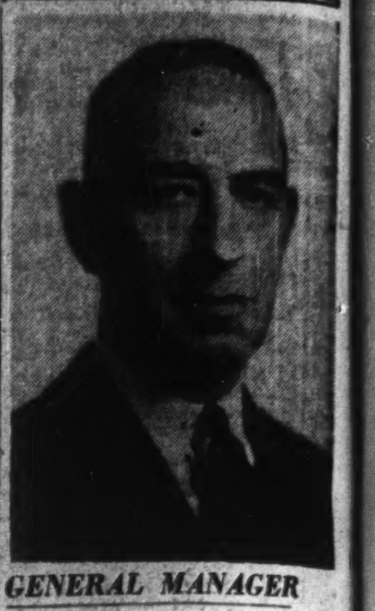
The U. S. Senate silver bloc has again succeeded in "putting its vested interests above the nation's interest," the New York Times states. This is a reference to the fact that the 77th Congress has adjourned without taking any action to release the U. S. Government's huge silver supply for use in war industries, where it is urgently needed.

Even the mild proposal of Senator Green of Rhode Island, which would have permitted the treasury to sell part of its three billion ounces of silver to war industries at 50 cents an ounce, was blocked by the one-man filibuster of Senator McCarran, of Utah, one of the "silver senators."

Striking at obstructionist tactics used and recommending that the fight against the silver bloc be taken up again, The New York Times says:

"The resort to filibuster was sufficient proof of the lack of any respectable argument that could be made against freeing the nation's silver for war work. Here we are, with the biggest hoard of silver in the world, bought and paid for by the people of the United States. Silver has now become a strategic metal. It is urgently needed in the making of guns, tanks, airplanes, torpedoes and a large number of other war materials. It is needed as a substitute for scarce copper and tin. Yet in the face of a rising protest in recent months against this situation the little group of silver Senators has won its fight to get silver deferred and to keep it out of the war effort. Meanwhile Secretary of the Treasury Morgenthau has reiterated his opinion that all silver legislation ought to be stricken from the books and that the United States should be entitled to use its store of silver for any purpose whatever, including war and industrial purposes.

"There can be no real argument about that. The silver bloc has won another round in its long struggle to hang on to the unsound legislation it fastened on the country eight years ago; but it squeezed through by a narrow margin. The fight should be renewed promptly in the coming session of Congress and this time the objective should be to sweep clean away the whole structure of silver subsidies which now compels our government to buy at artificially inflated prices silver it may not use even in the national emergency."



GENERAL MANAGER

Lt.-Col. Thomas Weir, M.C., E.D., has been appointed general manager of Union Gas Co. of Canada, succeeding S. A. Morse who has resigned due to ill health. Col. Weir has served as comptroller, secretary and treasurer with the company and since 1939 has been with the army. He has been released from army service to accept the new appointment because of the essential nature of the gas business in southwestern Ontario.

Unions Call Off B. C. Tram Strike

VANCOUVER.—The threatened streetcar strike on lines of the B. C. Electric Railway (B. C. Power Corp.) in Vancouver, New Westminister and Victoria was called off a few hours before it was scheduled to become a reality.

The street railwaymen's union accepted a compromise settlement of their demand for bonus under protest.

The union had demanded payment of a 45 cents-a-week bonus retroactive to Oct. 1, 1941, which it claimed it was entitled to under federal order PC 8253, but it finally settled for payment for the bonus back to Feb. 15, 1942, as ordered by the Regional War Labor Board.

New High Mark Established For West Coast Industry

From Our Own Correspondent

VANCOUVER.—The west coast province attained a new peak in value of industrial production in 1942.

Provincial government estimates place the figure at $285 millions, or about $4 millions better than the previous all-time high, established in 1941.

Fisheries are probably the only primary industry to report a decline. This will amount to about $1 million and it is due chiefly to the lower pack of herring and pilchard, but the high-priced sockeye pack was the best in many years and this will partly offset losses in other directions to give the entire industry a value of about $30.5 millions for the year.

When all the returns are tallied it may be found that the government's estimate of $120 millions for the forest industries was optimistic, because production has been sharply down due to manpower shortage; compensating factors have been the higher returns for pulp and better prices for the lumber and plywood produced.

Farms are expected to show a total revenue for the year amounting to $60 millions, about $5 millions better than in 1941. This is the biggest advance scored by any of the four basic industries of the province and is due chiefly to higher prices.

Marketing of apples has been particularly satisfactory during the past few months and prices have been better, but it is doubtful whether in view of increasing costs of production the farmers will be much better off as a result.

The total for the mining industry is put down at $75 millions—the same as in the previous year. A decline in gold output will be shown, but increasing production of mercury and the base metals acted as a balance. The coming year will probably show further slump in gold output, but a steady rise in copper, tungsten, mercury and other metals required by war industry.

Relief of the labor situation this winter should accomplish some improvement in coal and copper production, seriously affected during the closing months of 1942.

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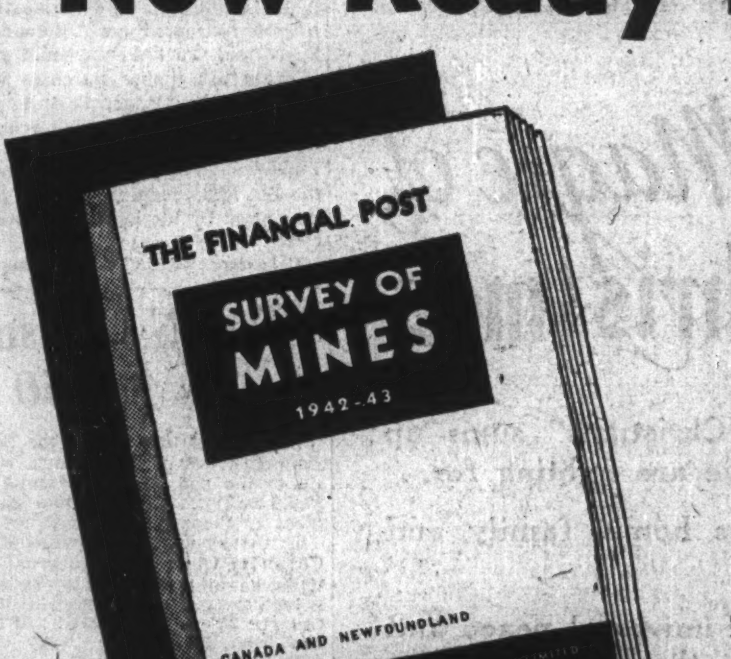

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Is Canadian Iron Coming Into Its Own?

Exhaustion of U. S. High Grade Ore Puts Spotlight on Our Deposits

By GORDON M. GRANT

Will this country soon experience an iron boom? Will a crisis in the U. S. iron ore industry mean a great new search in Canada? Are there iron resources north of the international boundary to justify a substantial Canadian development—and perhaps a greater steel industry?

Some outstanding engineers with whom The Financial Post has talked lean to the conviction that each of these questions can be answered in the affirmative. A year ago they would have said "maybe," or "perhaps," but today the situation has changed in favor of Canada, Labrador and Newfoundland.

Why Situation Changed

The U. S. resources of high grade iron ore in the Lake Superior region, at one time considered practically inexhaustible, have shown themselves relatively limited under the stress of war requirements.

According to E. W. Davis, of the University of Minnesota, who has made a report for WPB, "At present war-production rates, the known ore resources of the Lake Superior district will be exhausted by 1950."

With war requirements pressing, ore is being mined at the rate of nearly 100 million tons a year from these ranges, which turn out four-fifths of all ore produced in the United States. The ability to maintain this production rate for more than three years is being seriously questioned.

This is the background against which iron resources of Canada, Labrador and Newfoundland can be reassessed.

In 1923 the Ontario Iron Ore Committee reported that the U. S. reserves of proven ore in the Lake Superior region would last 32 years — or 60 years if probable ore was included. Now only eight years of future productive life is held out.

Future Sources The Question

When the United States exhausts its Lake Superior ore, where will its future ore come from? Undoubtedly a large supply of lower grade and concentrated ore will be secured. But, during the last year, possibilities of this have been canvassed, and to secure a large quantity of iron from low-grade material some $640 millions would have to be spent on beneficiating plants, it is estimated. Even beneficiated ore cannot replace better grade iron ore entirely.

Thus it seems probable that the United States will become a large importer of iron ores before another decade passes. Ore will no doubt be sought wherever it can be secured cheapest. Several U. S. authorities have already suggested importation of iron ore as preferable to concentration of ores running no more than 25% iron.

Canada and other countries appear marked for a search for supplies unless a great new discovery of iron should be made in the United States.

Brazilian Ore A Factor

The United States has secured some high grade iron ore recently from Brazil, a possible competitor of Canada in a post-war iron ore market. Brazil's ore is unquestionably of high grade but there are some drawbacks: A long water haul to the ore consuming centres; a long rail haul in Brazil before the ore is placed on ship; and perhaps further long rail hauls in the United States.

At present Canada's iron exports to the United States are limited to iron ore sinter from the New Helen mine of Algoma Steel Corp. High grade ore from Steep Rock Iron Mines will likely be tapped in another year or two to provide substantial additional tonnages. As reported recently, WPB wants an early and large output from Steep Rock. Perhaps hundreds of millions of tons of ore are available there. About 30 million tons are being counted on in present plans.

Pilot Plant at Josephine

Another Ontario property may be an early producer of iron ore—the Josephine mine of Michipicoten Iron Mines. Development of this property was projected in the last war but only now is it finally approaching production with finances provided by Frobisher Exploration Co. and Sherritt Gordon Mines. No commercial shipments have been made but a carload of lump ore has been shipped for testing to Algoma Steel. A small pilot plant is in operation and concentrating techniques are being studied.

No decision has been reached on whether lump hematite iron ore, a concentrate, or a mixture of the two, will be shipped. But a large tonnage of ore has been outlined, a shaft has been put down to a depth of over 1,000 ft., Parks Lake, overlying part of the property has been drained, and the company is in a position to commence production with a relatively small amount of trouble.

The Wabana mines in Newfoundland have huge reserves of high-grade iron but many impurities are present. But the ores find a wide use despite impurities, form the chief sources of supply for Dominion Steel & Coal.

Other Chances Impress

These represent the most immediate possibilities of production of iron in British North America. But there are many other prospects.

In Labrador, Labrador Mining & Exploration Co. has several huge hematite iron deposits of good grade. More accessible deposits have prevented those in Labrador from being exploited in years past. As the other deposits are exhausted, these untapped resources, now controlled by Hollinger Consolidated, are more likely to be drawn on commercially.

A railway would probably be required to take the Labrador ores to the St. Lawrence. This would require a large capital expenditure. Offsetting this, however, is power at Hamilton Falls on the Hamilton River—the largest undeveloped waterpower site on the North American continent.

Waterway Would Help

Back in 1923, the Ontario Iron Ore Committee mentioned that the proposed St. Lawrence waterway development would be an important factor in the use of Wabana ore in the steel industries surrounding the Great Lakes.

It would also be of importance for shipping Labrador iron ore into the interior of this continent. But the Labrador ore might become the basis for an iron and steel industry in Quebec based on cheap electric power, a possibility pointed out by postwar planning authorities recently.

Tells of Many Finds

"Iron Ore Occurrences in Canada," published in 1917 by the Mines Branch of the Dominion Department of Mines, and the 1923 report of the Ontario Iron Ore Committee, tell of over 100 places in Ontario alone where occurrences of iron ore of varying grade have been noted.

Discoveries of hematite in northwestern Ontario are reported by the earlier publication at Hunter's Lake, Steep Rock Lake, Bending Lake, Lac Seul, Sutton Lake, the Mattawan iron range, Dog Lake, Black Sturgeon, Round Lake east of Lake Nipigon, Batchewana River, Groundhog River. In none of these was the concentration stated to be sufficient to constitute commercial ore.

Since then the high grade hematite float at Steep Rock Lake has been traced to its source—the deposits under the waters of Steep Rock Lake. This was done by the use of special electrical and geophysical methods, suggesting that perhaps hematite deposits in other areas might be "tracked-down" in the same way.

Magnetite, a high grade iron ore, is found in Ontario more frequently than any other kind of iron ore.

Concentrating Looks Better

Before this war started, Algoma Steel Corp. was turning out iron sinter or concentrate from the relatively low iron content siderite ore of the New Helen mine. The success of this concentration effort presages well for other concentration ventures.

More and more concentration of lower grade ores is expected as higher grade ores are exhausted in accessible localities. The siderite deposits of Algoma Steel are extensive and a larger production than the present is warranted.

Michipicoten Iron Mines has also outlined some million tons of siderite ore.

Moose Mountain Is Big

There is a low grade deposit of iron at Moose Mountain, 25 miles north of Sudbury, near Selwood, on the C.N.R. This used to turn out "briquettes" in what the Iron Ore Committee called an "incomplete experiment." Sintering is now suggested as the basis for production from this property.

The ore potential is large. Reserves of "A" type cover an area of 71,000 square feet while those of "B" type cover 3,185,000 square feet, old reports state. The deposits are said to be indicated as extending to at least 300 ft. giving 38,665,000 tons of ore to 100 ft. vertical depth. Concentrating 2.1 tons of "B" ore would give a ton of concentrates averaging 65% iron, it is stated. The reserves would thus run 18,500,000 tons of concentrates per 100 ft. vertical.

Atikokan Mine Has Ore

The Atikokan mine in western Ontario still has reserves of high sulphur ore.

In eastern Ontario, there are a number of small mines which produced in years gone by. Many have been reinvestigated recently, such as the old Bessemer mine. The iron sands on the north shore of the St. Lawrence may be a source of iron at some future date. Nova Scotia has a greater record of iron production than any other province except Ontario and there are still possibilities of further production.

The Prairie provinces have shown little iron but prospecting has been limited. Near Blairmore, Alta., are black magnetic sands which run 40% iron that some day might be used with Alberta coal for a steel industry.

B.C. Lacks Market

British Columbia has numerous deposits of iron, both hematite and magnetite. In British Columbia it has been not so much a lack of deposits as a lack of a market that has prevented the growth of an iron ore industry.

In Hudson Bay, Belcher Islands have large iron deposits, but are relatively inaccessible.

Canada has many iron prospects yet to be tested. Exhaustion of U. S. iron ore resources and the general level of industrial activity in the future will play an important part in determining when and how extensively they will be tapped.

Labor Shortage in B. C. Still Hampers Mining

While there is said to have been no change in the mine labor situation in British Columbia in November, new data gives evidence of the curtailment forced on the industry since the beginning of 1942.

A number of gold mines have closed down altogether, while others are down 45 to 50% in shifts worked. While the smaller base metal mines show greater activity, Britannia and Granby are both down from the beginning of the year.

Arsenic Helps Hedley

The only gold mines to increase their labor supply in British Columbia recently are reported to be the Hedley mines, which turn out arsenic as a by-product.

The following outlines the situation at the end of November:

Operation	Shifts Worked Jan.	Shifts Worked Nov.	Incr. or Decr. %
Gold Mines:			
Alpine	1,140	Closed	—100
Arlington	304	Closed	—100
Bayonne	2,172	Closed	—100
Big Missouri	3,205	Closed	—100
Bralorne	11,339	*7,000	— 39
Cariboo Gold Quartz	12,191	5,493	— 55
Gold Belt	3,831	1,054	— 73
Heldey-Mascot	3,270	2,530	— 23
Island Mountain	4,287	2,148	— 50
Kelowna Exploration	6,297	4,739	— 25
Kootenay Belle	2,841	822	— 72
Musketeer	773	Closed	—100
Pioneer	6,565	2,464	— 63
Polaris-Taku	4,044	Closed	—100
Privateer	3,868	1,864	— 52
Sheep Creek	2,901	1,598	— 45
Silbak-Premier	9,294	5,031	— 46
Surf Inlet	3,631	1,400	— 62
Ymir Yankee Girl	1,526	Closed	—100
	84,369	36,143	— 57
Silver Mines:			
Highland Bell	1,033	788	— 24
Copper Mines:			
Britannia	22,229	15,000*	— 33
Granby	21,128	16,957	— 11
Twin "J"	None	100*	
	43,356	34,057	— 22
Other Base Metal Mines:			
Base Metals	3,021	2,826	— 7
Pinchi Lake	6,803	10,867*	+ 59
Red Rose	1,016	2,016	+100
Sullivan	37,809	39,000	+ 7
Zincton	1,587	2,016	+ 27
	50,036	56,727	+ 11
All Metal Mines	178,814	126,715	— 29
Coal Mines:			
Bulkley Valley	348	266*	— 24
CCL. Nanaimo	13,536	13,000*	— 4
CCL. Comox	21,210	15,840	— 26
CNP. Coal Creek	4,896	4,536*	— 8
CNP. Michel	21,119	18,130*	— 14
Granby	2,511	1,800	— 10
Middlesboro	2,143	1,905	— 11
	65,767	55,477	— 16
Total, All Mines	244,581	182,404	— 25

*Estimated.

Mining Concentrates

Crow's Nest Pass Coal Co. has had to curtail its operations as a result of a recent "bump" in the No. 1 East mine. The 22-west district of the mine was damaged, it is said.

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Emergency Metals, the subsidiary of Hudson Bay Mining & Smelting Co. formed to take over the old Mandy property, is proceeding with plans to place this in production. About 200 tons of ore daily will be milled. Reserves are estimated at 180,000 tons averaging 5% to 8% copper, 20% to 30% zinc with gold and silver values running about $5 per ton.

• • •

Goodrock Mines reports the mill at its Gordon Lake property is now being run in and that initial recovery gave heads of 2.24% tungsten trioxide with recovery of 62.25%. This will be improved with finer grinding of the ore, it is stated. Additional power equipment is being installed which is expected to materially augment production.

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Nickel Offsets is deepening the shaft on its property in Foy and Bowell twps., Sudbury district, Ont., in accordance with plans announced in November. The work is being done under contract with sinking started on Dec. 1. In previous work the shaft was put down to a depth of 530 ft. with a large amount of development work carried out at the 200, 350 and 500-ft. levels. It is now proposed to go down to 1,250 ft. and cut further stations at 150-ft. intervals.

• • •

Ontario Nickel Corp. has intersected its main ore zone, the No. 3 ore body, on the 250-ft. level at the Moose mine in the Sudbury district, it is reported. Diamond drilling showed the ore body to have an average width of 14 ft. and an overall average grade of better than 3.5% combined nickel and copper. Tenders for hauling ore for six miles to rail head are stated to be under consideration. More than 2,000 tons of ore are reported to be available on surface dump.

• • •

Reco Mountain Base Metals Mines—a consolidation of the Noble Five, Surprise and Deadman mines at Cody, Slocan district, B. C.—is commencing a programme of diamond drilling. The first holes will test ore possibilities from the No. 18 cross-cut level, which taps the Noble Five vein at nearly 2,000 ft. from the outcrop on the summit of Reco mountain.

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Silbak-Premier Mines reports operating profit of $40,419 for November compared with $40,089 the previous month. The increase was achieved despite a drop in net smelter returns from $91,285 to $86,759. The company has been able to maintain its regular dividend of 4 cents a share each quarter in the face of increasing labor difficulties.

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Siscoe Metals Ltd., Siscoe subsidiary controlling the Tetreault zinc-lead mine, under an arrangement with Wartime Metals Corp., is treating a tonnage approximately equal to that established by the former management before operations were discontinued in 1937. Exploration and development at the property have put in sight sufficient ore to justify a substantial increase in the milling rate, it is stated. A new objective will be reached in the next three months, it is expected, if labor conditions permit. This increased production is under contract. At the LaCorne molybdenum property, Abitibi Cty., Que., a production programme is being carried out under Siscoe management, by arrangement with Wartime Metals Corp.

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Surf Inlet Consolidated, west coast gold producer, was forced to suspend operations entirely in November. The number of men left on the payroll was so small as to make further mining impractical. The mine is stated to continue in an excellent ore position, however, due to the policy of pressing development over the last year. A search has been conducted for a base metal property of merit but none has been found as yet. The company has approximately $200,000 in the treasury, it is reported.

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Twin "J" Mines, Jason-controlled, has now a large crew at work. The men were brought from the Jason gold mine in Ontario, which has been closed down for duration. C. Rutherford, former manager at Jason, is in charge.

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U. S. Bureau of Mines, in its report for 1942, states mineral reserves of chromite, manganese, mercury, iron ore, tungsten, nickel, bauxite and high-grade alumina clays were swelled 32 million tons by the bureau's exploration work. Over 1,600 deposits of war minerals were studied and 96 exploration projects were launched in 25 states for 31 minerals.

• • •

War Production Board, in its report on 1942 activities, states arrangements were made by the Board of Economic Warfare to step up imports of South American and Canadian ores and concentrates. Progress in increasing amounts of recoverable metals in Canadian concentrates is reported.

Proprietary Puts House in Order

Asks Reconstitution of By-laws on Dec. 30 — Nets 60c. in Six Months

At a special meeting of shareholders called for Dec. 30, Proprietary Mines is asking its shareholders to approve repeal of all previous by-laws, to approve and confir mthe validity of all corporate proceedings to August 31, 1942, and to pass on a new set of by-laws.

This procedure is a sequel to the straightening out of the company's affairs and settlement of litigation with R. I. MacKay, G. A. MacKay and R. W. Mackay.

It is planned to sell electric power plants to a new company which will possess the necessary powers to carry on operations. At present, these must be under a trustee, it is stated.

Earnings for the 20 months ended Aug. 31, totalled $550,593 or 60 cents a share compared with 13 cents a share in the preceding 14 months. Through balance sheet changes and revaluation of Kerr-Addison holding at $1 a share against the previous value of 50 cents a share, the company shows a surplus of $370,886 at the end of 1942 compared with a deficit of $29,880 at Dec. 31, 1940.

Dividends from Kerr-Addison Gold Mines in which the company holds 1,024,875 shares continue to be the main source of income.

Income and Surplus Account

	20 mos. ended Aug. 31 1942 $	14 mos. ended Dec. 31 1940 $
Dividends received	578,459	151,781
Power division sales	84,096	57,711
Interest earned	1,759	......
Misc. revenue (net)	477	489
Total revenue	664,791	209,981
Less: Power div. exps.	40,481	29,400
Power div. deprec.	22,296	15,416
Gen. & litigation exp.	41,757	24,146
Interest paid	664	8,578
Net profit	550,593	132,441
Less: Dividends	459,740	......
Surplus for year	90,853	132,441
Add: Assets revaluation	471,460	......
Less: Assets w/d	132,004	......
Loss on securities	1,281	......
Loss on furniture	......	230
Charged to prior periods	28,282	......
Previous deficit	29,880	162,091
Surplus forward	370,886	*29,880

*Deficit.

Earnings per Share and Dividend Record:		
Earned	$0.60	$0.13
Paid	0.50	nil
No. of Shs. Outstand.	919,430	987,305
Working Capital	$	$
Current assets	1,056,530	520,217
Current liabilities	11,085	39,952
Working capital*	1,045,445	480,265

*Including $1,024,875 of securities with $3,638,306 market value in 1942 and $509,737 of securities with $3,997,502 market value in 1940.

Pato Earnings Lower in 1942

Recovery is Lower — Gravel Reserves Increased Substantially

Reflecting a decrease in average recovery per yard of gravel, Pato Consolidated Gold Dredging showed a decline in net profit to $1,580.941 or 31 cents a share in the year ended April 30, compared with 53 cents a share the preceding fiscal year.

A total of 15,444,000 yards of gravel were handled by dredges and 1,243,000 by hydraulic mining in the 1942 fiscal period compared with 15,842,000 and 1,139,500 yards the previous year. The total value of output at $3,083,782 in 1942 was considerably lower than the $4,377,009 of 1941, average recovery dropping from 25.77 cents to 20.32 cents a cubic yard.

At April 30, gravel reserves showed a slight increase in average grade and a slight decrease in total yardage from a year previous. A total of 546,754,000 cu. yds. of closely drilled and scout-drilled gravels averaged 14.6 cents (at $35 gold) compared with 558,272,000 yds. averaging 14.2 cents the year before.

In addition to sections for which reserves are estimated, there are stated to be large areas of potential dredging and sluicing ground as yet untested. The drilling of these and the partially developed areas is in progress:

Income and Surplus Account
Years Ended April 30

	1942 $	1941 $
Dredge operat. acct.	2,148,181	3,018,944
Less: Admin. exps.	20,000	20,000
Directors' fees	30,000	30,000
Audit, etc.	3,999	2,859
Col. income tax	237,506	345,716
Co. gold taxes	181,109	233,479
Tax on funds' export	61,245	43,563
Royalties	31,977	43,757
Int. & exch. (net)	†5,529	26,842
War services' donat.	......	11,114
Local taxes	6,933	5,029
Operat. profit	1,580,941	2,263,645
Less: Depreciation	470,049	454,854
Depletion	107,742	123,857
Net profit	1,003,150	1,683,934
Less: Dividends	1,504,000	640,000
Surplus for year	*500,850	1,043,934
Add: Prev. surplus	2,068,950	1,025,016
Surplus forward	1,568,100	2,068,950

*Deficit. †Credit.

Earnings per Share and Dividend Record:		
Earned	$0.31	$0.53
Paid	0.47	0.20
No. of Shs. Outstand.	3,200,000	3,200,000
Working Capital		
Current assets	2,567,785	2,563,728
Current liabilities	1,033,726	651,279
Working capital	1,534,059	1,912,449

International Titanium Ltd. gives notice of intention to apply to the Secretary of State for acceptance of the surrender of its charter.

Investment Notes

L. G. Beaubien & Co. heads a syndicate making a public offering of $1.2 million of non-callable City of Quebec serial bonds.

The issue is divided into two parts: $279,000 of 3% bonds due Dec. 1, 1943 to 1946, and the balance bearing the coupon rate of 3½% and due Dec. 1, 1947 to 1962. The bonds are being offered to return a yield of 2.45 to 2.70% on short-terms and 3.48 to 3.60% on the long-terms.

Canada Steamship Lines record volume of traffic through the Great Lakes-St. Lawrence Waterways system this year is expected to be reflected in substantially higher gross income. Much of the gain will be offset by the excess profits tax, but the net showing is expected to compare favorably with that of a year ago.

G. E. Develops New Device To Call Air-raid Wardens

J. L. Woodworth, an engineer working in the General Electric Co. laboratory, has developed a device that can be plugged into ordinary house currents to warn air-raid wardens and other civilian defense officials of threatened or actual air-raids.

The device provides audible and visible warning signals and is designed to operate on 720-cycle carrier current systems now in operation on electric powerlines in some cities. This carrier current equipment is ordinarily used to send impulses over the powerlines to control electric water-heaters, streetlights and other appliances.

The warning device is operated by a special control board attached to the carrier-current transmitter of the power station. By means of this control board, different air-raid wardens' signals can be transmitted over the electric powerlines in any desired order. The special control board can also send signals which will operate sirens, fire whistles, traffic lights and other warning devices.

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What Are Our Main Jobs For 1943?

The Question: What are the three most important steps that face Canada in 1943?

Hon. W. A. Buchanan

Well-known newspaper publisher of Lethbridge, Alta., and member of Canadian Senate.

1. Proper allocation of man and womanpower so that the armed forces, agriculture and war industry can be fully supplied, with no neglect of any phase of war effort. Manning, feeding and equipping of our army, almost certain to be in actual action, is Canada's 1943 major task.

2. Maintain the battle against inflation with no relaxation anywhere on the home front.

3. Even after three years war there needs to be a sustained drive to promote national unity and bring all our people to understand that wherever Canada fights, it is for Canada's defense. Too many people fail to realize Canada is threatened because war is on some other country's soil.

4. Continued study of postwar problems by James Committee is most important, to make sure we are ready to deal with conditions arising from sudden conclusion of hostilities.

* * *

L. N. Buzzell

Partner, McDonald, Currie & Co., Montreal, and active in Quebec Protestant educational work.

1. Elimination of the differences in the information given out by the Federal Government to English and French Canadians.

2. Establishment of public school education on a national basis.

3. Present system of federal taxation of privately owned utilities to be abolished and replaced by a system of taxation based on gross revenue on all utilities whether publicly or privately owned.

* * *

J. W. Cornett

Mayor of Vancouver

1. Proper adjustment of manpower in order to maintain the strength of our forces overseas and sustain our present flow of production for war.

2. Guard against inflation.

3. Continue at undiminished rate our war financing programme.

* * *

John G. Diefenbaker

Member of Parliament for Lake Centre, Sask., and prominent in Conservative party circles.

1—To end present chaotic condition of the manpower situation government should produce immediately plan or blueprint for total war which will indicate to what extent Canada's contribution will be one of armed forces, war industry and agriculture and estimate of approximate manpower required for each.

2—To carry out, plan and assure equitable, uniform and strict enforcement provisions should be made for appeal to high judicial authority either by Crown or person affected against decision of divisional selective service boards.

3—Responsible government should be restored by removing legislative powers from controllers and like officials.

* * *

J. A. Coulombe

President, J. A. Coulombe & Co., Quebec City, Richelieu Oil Co., director, Gaspesia Sulphite Co., etc.

1. Changes in income tax in order that initiative can be rewarded, as risks and responsibilities are now accepted with practically no return.

2. Close co-operation between United States and Canada and disappearance of the premium on American exchange and other existing barriers between the two countries.

3. Complete organization of non-essential business facing the problem of maintaining production with the lack of materials constantly increasing and with more men being released for the armed forces or war industries and the bearing of all restrictions, which will make us change our way of living, travelling, amusement, etc.

* * *

Garnet Coulter

Mayor-elect of Winnipeg.

1. The war effort has supremacy and the most important step in its furtherance is to have every part of the Canadian army made available without delay for service wherever needed in any part of the globe.

2. A more intensive effort to provide basic materials to overcome the lag which is developing in the production of vital instruments of war.

3. An active and thorough exploration as between the Allied Nations of policies designed to effectively remove for the postwar period the isolationist trend and induce a sane and economic conception of international trade relationship.

* * *

Andrew Davison

Mayor of Calgary, Alta.

1. We must see that our Dominion does its share by way of a real all-out war effort devoid of favoritism in order to assist in defeating the forces of evil which are trying to destroy the democracies.

2. Continued planning for postwar rehabilitation and protection of our citizens army, thus avoiding a repetition of the unfortunate conditions which followed the first great war.

3. Determined effort should be made by our public leaders to re-establish Canadian unity—something which is sadly lacking today.

* * *

Hon. John Hart

Premier of British Columbia.

1. Winning of the war involves determination on the part of all governing bodies and individuals to make every sacrifice needed to accomplish this end.

2. Winning the peace—This can be achieved by the Dominion government in co-operation with the various provinces devising a well thought out programme for rehabilitation of those now in the armed forces and war work, giving guarantee of freedom from want for all citizens.

3. Unification of Canada at present—There are five zones—Maritimes, Quebec, Ontario, Prairies and British Columbia, whose people have little comprehension of each other's economic, sociological and other problems. Steps should be taken to create a better understanding between the peoples of these zones, thus bringing them in closer union.

* * *

Louis L. Lang

President, Lang Tanning Co., Kitchener, Ont. and president, Canadian Manufacturers' Association.

The aims of all Canadians in 1943, in my opinion, should be:

1—To help to carry on the war by sea, land and air, with all our will and all our might, to assist in obtaining victory at the earliest possible time;

2—To care for the needs of the civilian population and, out of our abundance, to give generously to the less fortunate peoples of the United Nations; and

3—To think and plan, as far as may be possible, for the period after the war so that peace may be assured and its benefits distributed and stabilized throughout the world.

* * *

Oscar Landry

Joliette, Que., president, Pharmacies Universelles Ltd., and director, United Drug Co.

1. If attempted with prudence, capacity and production in war industry can be increased by curtailing distribution services to civilians.

2. If operated with prudence agricultural production can be increased largely by returning to the farm many of those who have been mobilized indiscriminately.

3. If doctors are to be mobilized in any number prudence should be exercised so as not to imperil public health especially in rural districts where distances reduce efficiency.

Prudence should be paramount in 1943.

* * *

Hon. F. B. McCurdy

Former Minister of Public Works, Ottawa, prominent in Maritime financial, publishing and industrial circles, Halifax, N.S.

Civilian shortages, manpower mobilization and postwar planning are clearly three of the most urgent problems confronting Canadians in 1943. Ever increasing pressure against the price ceiling will call for control measures far more drastic than anything yet experienced. Rigid rationing of a far wider variety of consumer goods appears almost inevitable.

Manpower mobilization, based on a rational policy whereby the needs of the armed forces and essential industry are co-ordinated to ensure maximum fighting capacity with minimum impairment of war production stands on a footing of equal urgency with the fight against inflation. Preparation for the social, economic and political dislocation that will threaten Canada in the Armistice period and after stands second only in importance to the winning of the war. Such preparation, if it is to serve any really useful purpose, must guarantee equality of opportunity in each of the provinces for the development of primary and secondary industries. Regional as well as racial and religious rights must be recognized if lasting national unity is to be achieved.

* * *

Hon. N. M. Paterson

Of Ottawa, member of Canadian Senate and prominent in Fort William industrial and financial circles.

That every person of influence and newspapers strive for unity in our war effort and constructive criticism.

More need will be experienced for blood plasma and every effort should be made to get more blood donors.

We will find the need to feed starving millions in Europe and the production and storing up of more foodstuffs is imperative.

* * *

Elmore Philpott

Well known in newspaper and political circles, Vancouver, B.C.

1. Government with guts should tackle the manpower question, including conscription overseas. Also allot remaining labor to farming, lumbering, and other basic necessities.

2. A new labor policy is necessary. Labor should be made a partner guaranteeing the right to unionize with penalties against reactionary anti-union employers.

3. A clear-cut postwar plan is necessary, guaranteeing full employment using the entire money power of the nation for this end. The greatest weakness of the postwar plan is the platitudinous nature of the programme. It must be a concrete guarantee of a job, with no loopholes for financial interests to say "Sorry boys no more money."

* * *

Hon. C. W. Robinson

Member of Canadian Senate, Moncton, N.B.

1. The fullest co-operation of every citizen in the war effort and a realization that no sacrifice or self-denial can equal the courageous and patriotic devotion to duty which is being displayed by the youth of our country.

2. A careful study of after-the-war problems in co-operation with the other allied countries.

3. Closer collaboration with our good neighbor, the United States, pooling of resources and removal of many restrictions to travel and trade.

* * *

B. G. Stevens

Mayor of North Bay, Ont.

1. Vigorous prosecution of the war effort by every means at our disposal.

2. Start now to organize industry for the after-the-war period.

3. Stop the hit and miss methods of the Prices and Trade Board.

* * *

T. A. St-Germain

Managing director, La Cie D'Assurance Mutuelle du Commerce Contre L'Incendie, St. Hyacinthe, Que.

We all hope that 1943 will bring final victory for our armed forces. In this event, Canada will undoubtedly be invited to be represented on the board which will have to dictate the conditions of a durable peace. Adequate measures will be adopted to rehabilitate soldiers, airmen and sailors into civilian life, and also an appropriate legislation to liquidate war expenses.

* * *

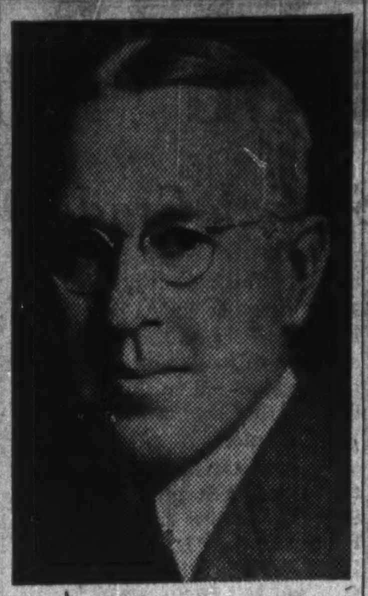
Dr. Carleton Stanley

President, Dalhousie University, Halifax, N.S.

1. To maintain our educational institutions, particularly the liberal arts colleges and the high school courses leading thereto. To fail in this would lose the future.

2. To allow no slackening in war effort.

3. To remember continuously that liberty and democracy are empty names if we depend on outworn political forms to control economic forces and a revolutionary world. As a first step to clear the ground every Canadian journalist and public man might read E. H. Carr's "Conditions of Peace." "Reconstruction" is a mischievous word. We need courageous criticism, a new vision, a new faith in humanity.



TRUSTS DIRECTOR

Ray T. Birks, K.C., has been elected a director of Sterling Trusts Corp. Mr. Birks is a member of the law firm of Briggs, Frost and Birks, president of Howey Gold Mines and a director of several other Canadian mining companies.

Newsprint Use Exceeds Supply

U. S. Users Draw on Reserves Last Month — Stocks Are Still High

From Our Own Correspondent

MONTREAL. — Apparent consumption of newsprint paper in the United States last month exceeded the supply of new paper, making it necessary for publishers and other users to draw upon stocks to the extent of some 28,000 tons.

According to returns of the Newsprint Association of Canada, based on data filed with the American Newspaper Publishers Association, 347,468 tons of paper were used in November. This was about 6,000 tons more than in the preceding month, and 4,500 tons less than in November last year.

Due to the drawdown from stocks, reserves of paper held by the publishers declined to 715,364 tons. While a decline of 28,000 tons from October, it is noted that the November figure is the second highest reported since the beginning of 1938.

Apparent North American newsprint stocks—mills and publishers—aggregated 881,214 tons at the end of last month. This was the lowest figure since last March, but 136,000 tons above the comparable figure November last year.

For the first 11 months of 1942 Canada supplied the United States with 71% of its newsprint supply. This compared with 69% for the same period of 1941. Shipments from U. S. mills represented 23% of the total as against 26% a year ago, while the share supplied by Newfoundland was 6% as against 5% in 1941.

Paperboard Demand Higher in October

Production of paperboard in U. S. mills moved up during October, output totalling 481,312 tons, an increase of 11% over the September returns. Compared with October last year the current output is down about 100,000 tons.

New orders received by the paperboard manufacturers in October increase 71,529 tons to 515,660, and unfilled orders at the end of the month moved up 17,000 tons to 201,846.

American Newsprint Supply Cut 13½% in November

From Our Own Correspondent

MONTREAL. — Curtailment of newsprint production in November finds reflection in the volume of paper available to the American market. After allowing for small shipments to Canadian and overseas markets, American publishers took the entire North American output plus some 12,000 additional tons from mill stocks. The total supply of 321,904 tons even then was 13½% less than in October, without allowance for the shorter month and 12½% less than the publishers received in November last year.

The decline in Canadian supplies was particularly noticeable last month.

American Newsprint Paper Supply
(In short tons)

	November	October	November
From:	1942	1942	1941
	1942	1942	1941
U. S.	76,207	85,438	84,331
Canada	227,736	268,329	261,611
Nfld.	17,961	17,380	21,569
Total	321,904	371,167	367,509

Quebec Seeks to Settle Quebec Pulp Affairs

From Our Own Correspondent.

MONTREAL.—The Quebec government will help to bring about a settlement of the difficulties in Quebec Pulp & Paper Corp., according to the Hon. Wilfred Hamel, Minister of Mines and Forests.

The government has a claim of $1.8 million against the bankrupt company, and Mr. Hamel told representatives of preferred shareholders that the government was just as anxious as they were to settle its affairs.

Operations Level Off In U. S. Paper Mills

Operations of American paper mills show signs of stabilizing, after dropping consistently from the high mark of 106.2% of capacity established in November a year ago. During the week of Dec. 5, the mills reporting to the American Paper & Pulp Association operated at 84.9% of capacity.

FOR THE 58th TIME . . .

This is our 58th Christmas in Canada. Thus for the 58th time we are privileged to send our patrons the compliments of the season. Never were these compliments more sincere than now.

The storms of war are still upon us; but we face them in good heart and noble company. The clouds will break. The sun will shine again. Canada will go forward, with comrades tested and knit together by the trials of war, towards a still more splendid future.

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LIABILITY ASSURANCE CORPORATION
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Manager for Canada and Newfoundland
MONTREAL TORONTO WINNIPEG CALGARY VANCOUVER

Abitibi Power & Paper Company, Limited
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Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

New Books . . .

Taxes and Advertising

FEDERAL TAXATION AND ADVERTISING. Published and distributed by Verner Ottawa Bureau, Ottawa. Price $3.50.

Revised taxation schedules placed in effect by the Dominion since the war started, particularly the Excess Profits Tax, have brought confusion to advertisers and publishers, who have been unable to determine accurately how much could be spent on advertising without having the Income Tax Department refuse to allow this as an expense.

To answer these questions, Verner has brought together and interpreted the various sections of tax laws which appear to apply to the problem.

It is emphasized that the material in the review cannot be considered as official opinion, but it is claimed that it can be accepted as "authoritatively accurate."

Bombs for Berlin

BOMBER COMMAND CONTINUES, issued for the U. K. Air Ministry by the Ministry of Information. Published by Musson Book Co., Toronto; 64 pages; price 25 cents.

This is the Air Ministry account of the increasingly heavy bomb assault against Germany. Beginning June, 1941, it reports on the people who build the aircraft and some details of construction of the Wellington and Halifax bombers. It reports on daylight sorties and night operations and ends with the 1,000 plane raids on Cologne and the Ruhr.

Tone of this interim report is tightly restrained; one must catch for oneself some of the historic drama contained in the official reports on some of the flights over enemy territory. Pictures show some of the terrific destruction that the bomber command has rained down on Nazi holdings. This brochure is a worthwhile sequel to the popular "Bomber Command" issued under the same auspices.

Maths for a Wife

POPULAR MATHEMATICS. The Understanding and Enjoyment of Mathematics by Denning Miller. Published by Longmans, Green & Company. Price $4.75.

"In fact, in all simplicity, I wrote 'Popular Mathematics' in an effort to explain to my wife and a few friends the fundamental beauty and universality of the subject which has most added to my enjoyment and understanding of this business of living." Such is the hopeful salute with which Mr. Miller starts off his readers on what is traditionally, and perhaps still is for a great majority, a matter of painful remembrance and gloomy boredom.

Mr. Miller is a businessman and his book is anything but a textbook in the usual sense of the word, though probably it would ease the path for students who are going to traverse the long, rough roadway between arithmetic, through conic sections, and on to calculus.

Mr. Miller is a son of the late Alice Duer Miller, novelist and short story writer.

In view of the omnipresence of mathematics in almost every phase of modern life, careful reading and digestion of the volume will undoubtedly benefit all and please some. It is not, however, something that can be scampered through with the speed of detective fiction.

One feature which is sure to have appeal and enlightenment for the layman is Mr. Miller's care in explaining the historical background and development of mathematical science.

Running Report

THE WAR: THIRD YEAR. By Edgar McInnis. Published by Oxford University Press. Price $2.00.

This is the third volume in the excellent running report of the present war which is being written by Mr. McInnis, who is associate professor of history, University of Toronto.

No historian could assume a more difficult task, and there will be few indeed who could have done it better. For history of this kind means writing almost on top of the events; before events are fully crystalized, and before the passage of time permits looking at them objectively and in focus.

Professor McInnis overcomes this handicap by careful compilation of available materials and because of his professional training in analyzing and finding the pattern and significance in man's activities in times past.

The author writes vividly, succinctly, and this present volume has particular interest since it is probably this third year of war which will prove to be the turning point in the great struggle.

* * *

One Foreign Policy

THE UNITED STATES AND THE FAR EAST. By Stanley K. Hornbeck. Published by the World Peace Foundation. Cloth, $1; paper, 50c.

Mr. Hornbeck, who has long been an analyst of Far Eastern affairs and who is now advisor on political relations to the United States Department of State, presents a concise and authoritative volume based on his contention that the United States has only one foreign policy and that the underlying factors in its relationship with the Far East are basically the same as those governing its relationship with the rest of the world.

He says that the one foreign policy of the United States "rests upon, resides in and falls from principles and precedents. It is rooted in the history of the settling of a continent, in the minds and hearts of a people blessed with a goodly heritage. It is not the work of one man or of one department, or of one agency of government. . . It is a product of the concepts, the thoughts, the beliefs, the aspirations, the decision, the acts—through the years and the decades and the generations—of the American people."

He quotes with apparent approval a message from President Roosevelt which said:

"Every school child knows what our foreign policy is. It is to defend the honor, the freedom, the rights, the interest and the well being of the American people. We seek no gain at the expense of others. We threaten no one, nor do we tolerate threats from others. No nation is more deeply dedicated to the ways of peace; no nation is fundamentally stronger to resist aggression."

The pamphlet also contains a very interesting appendix of documentary material covering relations between United States and Japan in the few weeks prior to Pearl Harbor.

Money Made Easy

MONEY AND THE PRICE SYSTEM—by V. W. Bladen, University of Toronto Press, price 50c.

Professor Bladen introduces his pamphlet as an additional chapter for his "Introduction to Political Economy," which had been prepared for a second edition of that volume. Now printed primarily for students, "Money and the Price System" has distinctive value for the businessman who wants a clear, simple, yet thorough description of the workings of the monetary system.

In 25 pages, Mr. Bladen deals with all the major points, both theoretical and practical, that contribute to a realistic understanding of the workings of modern money systems.

New Fields

REGIONAL RESOURCE DEVELOPMENTS—by Alvin H. Hansen and Harvey S. Perloff—National Planning Association pamphlets — price 25c.

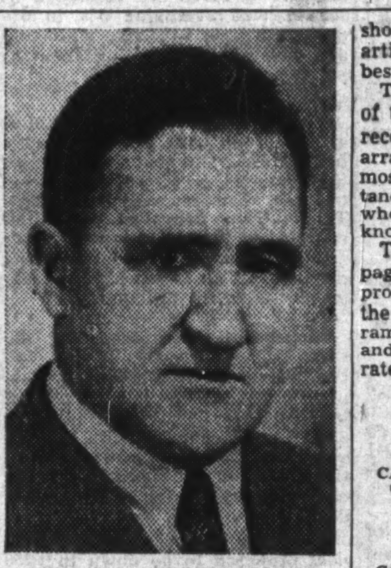
Dedicated to the proposition that business opportunities can be created by well thought out programmes of regional development, the authors proceed to outline how a given economic region should tackle the problem of widening the business opportunities that it offers to its inhabitants.

A large number of the 40 pages in the pamphlet are devoted to the results and interpretation of the results which have been secured in various planned regional developments in the United States. Outstanding among these is the Tennessee Valley Authority, one of the most comprehensive of such programmes to date.

History Repeats

THE YEARS OF ENDURANCE. By Arthur Bryant. Published in Canada by Collins. Price $4.50.

For the historian the present conflict discloses many remarkable parallels with that other great era of Britain's trial during the Napoleonic wars. Then Britain was tragically unprepared. Then she suddenly saw the collapse of her Allies. Then she was confronted with new military techniques. Then she was faced with trouble at home, trouble which was both economic and spiritual. Then England was on the verge of a new mental and spiritual era.



C.P.R. PROMOTION

G. E. Carter, general passenger agent, Eastern Lines, of the Canadian Pacific Railway at Montreal, has been appointed assistant passenger traffic manager. Mr. Carter will replace E. F. L. Sturdee who is retiring on pension.

Arthur Bryant, veteran of the previous war, contemporary at Oxford of Anthony Eden, Leslie Hore-Belisha, school master and now professional writer, turns out, in 360 pages, a timely history of a quarter century struggle against aggression and despotism one hundred and fifty years ago.

Arthur Bryant makes the most of the many parallels afforded him between conditions then and today.

Foundation Stones

CANADIAN ECONOMIC DEVELOPMENTS. By A. W. Currie. Published in Canada by Thomas Nelson and Sons Limited. Price $2.00.

Dr. Currie is associate professor of commerce at the University of British Columbia. In this volume of 375 pages he deals with the economic development of this country from the time of the French regime.

The author makes no claim to original research, simply to bringing together, putting into focus, and giving the lay reader a general picture of the main foundation stones of Canada's business life.

Authors' Selections

THIS IS MY BEST. Edited by Whit Burnett. Published in Canada by Longmans, Green & Co. Price $4.50.

Here is a great, fat volume representing the work of 93 living American authors invited to choose the short stories, sketches, poems and articles which they regard as their best pieces of work.

This is perhaps one of the best of the "bedside" books produced in recent years. Excellently edited and arranged, the volume will bring almost every reader to an acquaintanceship with some living author whose work he did not previously know.

There are some items in this 1,100 page book which the reader will probably want to skip, but all in all the volume gives a superb panorama of current American writing and promises many hours of first-rate entertainment.

Canada's External Relations

CANADA AT THE PARIS PEACE CONFERENCE. By G. P. de T. Glazebrook. Issued under the auspices of the Canadian Institute of International Affairs. Published by the Oxford University Press. Price $2.

CANADIAN EXTERNAL RELATIONS. By G. P. de T. Glazebrook. Issued under the auspices of the Canadian Institute of International Affairs. Published by the Oxford University Press. Price $3.

Professor Glazebrook, associated with the Department of History at the University of Toronto, specializes in Canadian history, recent European history and international relations. He brings out these two volumes at a time when they should have particular usefulness.

Soon, it is to be hoped, Canadians will be going to another peace conference. Experience of the Paris conference as here set forth should be valuable background for them, for those who frame policy at home, and for students who help mold public opinion.

The second volume on Canadian external relations, is an historical study of Canada's relations with Britain and other parts of the world up to 1914.

Together these two volumes give the careful student of affairs very useful tools for appraising present and forthcoming problems.

Professor Glazebrook has recently been appointed to the Department of External Affairs.

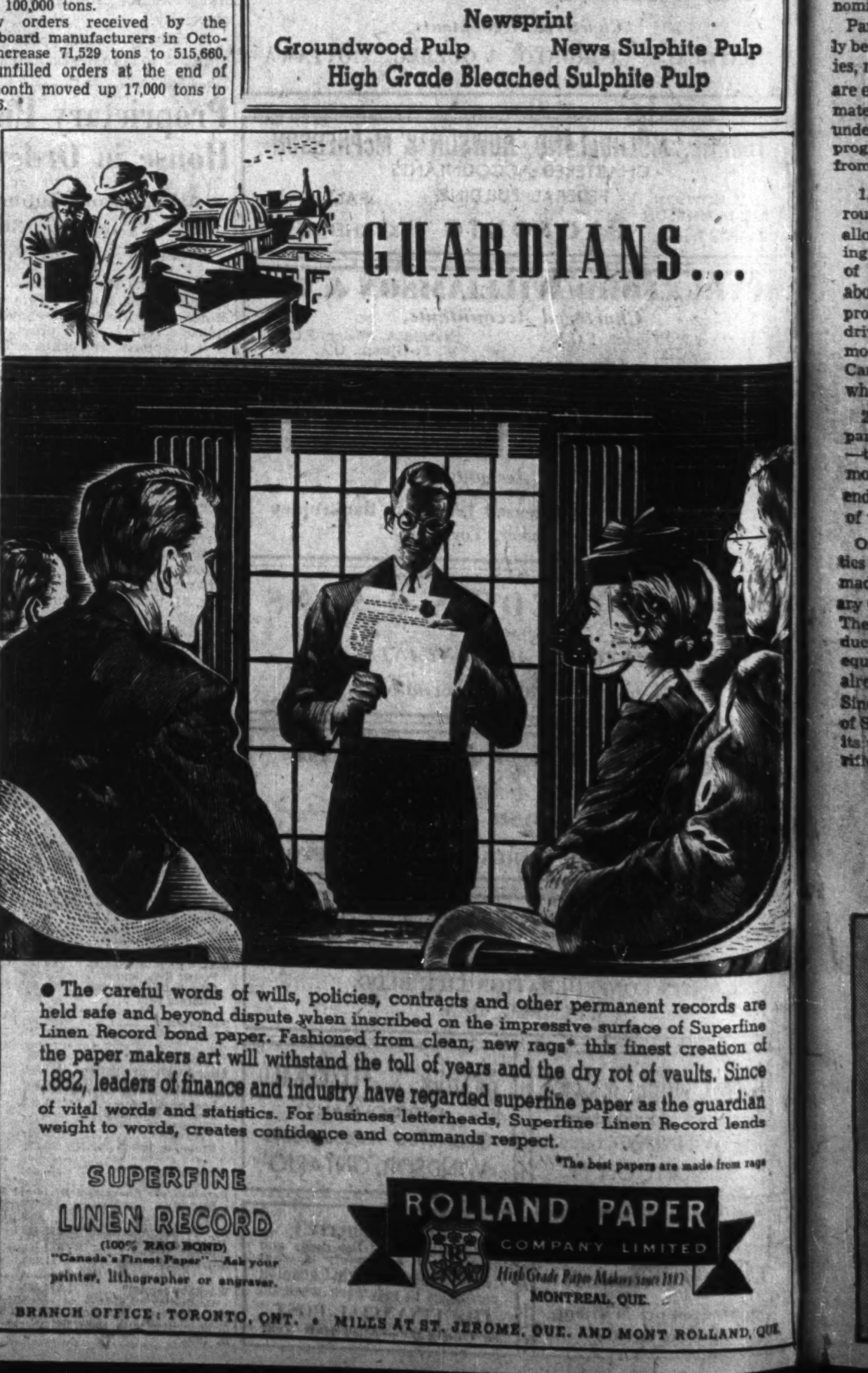
Punch and Anti-Punch

THE TREASURY OF BRITISH HUMOUR. Edited by Morris Bishop. Published in Canada by Longmans Green & Company. Price $4.00.

Here is another giant (800-page) compendium of highlights of entertaining British writings from the 7th century until today.

Much of the humorous writing presented here is the common heritage of all English-speaking people. A good many would deny, of course, that the "Punch" form of humor falls within this category.

The scope of the volume is so wide, however, that there is ample fare for the "Punch" devotee, as well as for those who find Punch incomprehensible. This happy result is undoubtedly largely due to the editor who is North American in point of view and is a frequent contributor to The New Yorker Magazine.



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THE FINANCIAL POST

Canada's Foremost Business Newspaper

Toronto, December 26, 1942

How Ottawa Appraises Next Year's Production

With Canadian Industry Now Fully Geared to War, 1943 Will Be a Year of Bigger Totals and Minor Modifications in Emphasis on What is to Be Produced

OTTAWA.—**Canada's war production goal for 1943 still holds at $3.7 billions,** The Financial Post is informed, despite the fact that many of the projected "peaks" have been modified. Recent negotiations in Ottawa, Washington and London have overhauled the entire tri-nation programme, with a considerable scaling down of some objectives, sharp increases in others. Overall dollar value of Canadian output for 1943 will not be greatly affected on balance.

But a specific order system will replace the "open order" buying plan that has been in effect until recently. In other words, instead of producing all they can, Canadian arms plants will have clearly marked goals and orders.

There will not be any reduction in Canadian production of mechanical transport, it is expected. Though shipments have occasionally been held up, with vehicles consequently held at sidings, it is now believed that 1943 requirements will match all that can be produced on the continent. Earlier suggestions that this continent cut down on the flow of "MTV's" met with strong objections from the fighting fronts.

Plane production will undergo little change; since Canada's programme was agreed on prior to the recent discussions. With types now fairly well frozen, Canadian production should be freer from interruptions than in the past.

In shipbuilding, escort vessels are to be stressed, but not at the expense of cargo ships.

Tank production will probably be slowed.

Steel supplies are assured for at least the first quarter of 1943 by agreement with the United States on the same basis as the steel supplied in the final quarter of 1942.

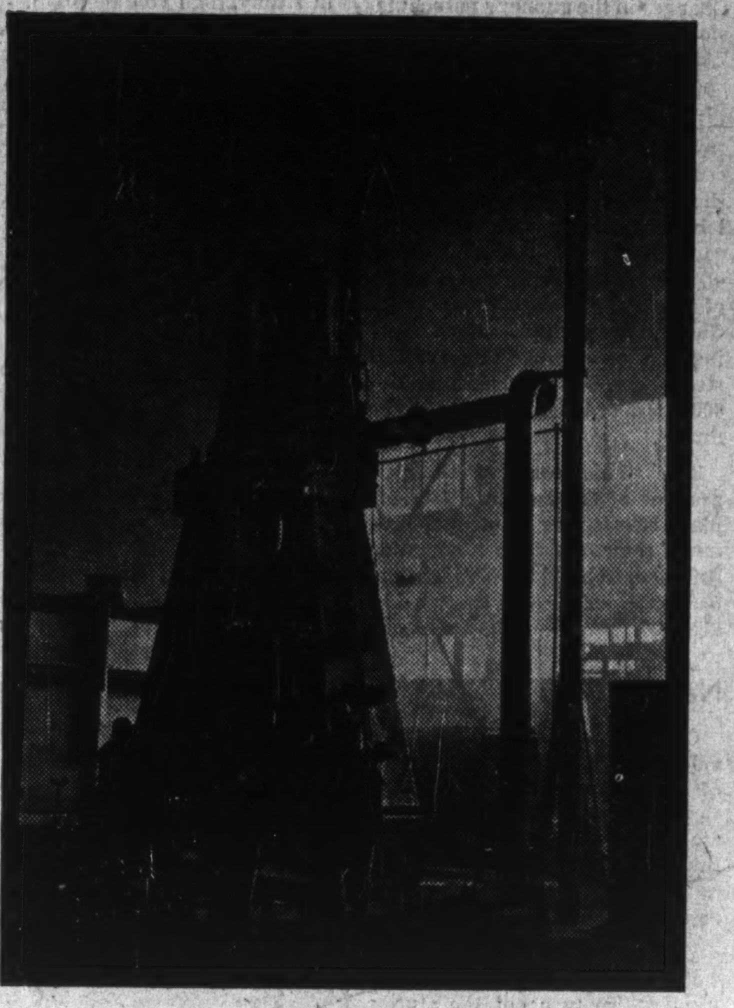
New manpower requirements for industry will be a fraction of what was earlier expected. Even though we may require upward of 100,000 more industrial workers in 1943, it is felt that the bulk of this labor force can be recruited from the men and women already employed in the war plants. Some of the increase will come from simply shifting workers from one department to another.

Conservation of men and materials will continue to keynote the operating programmes for 1943.

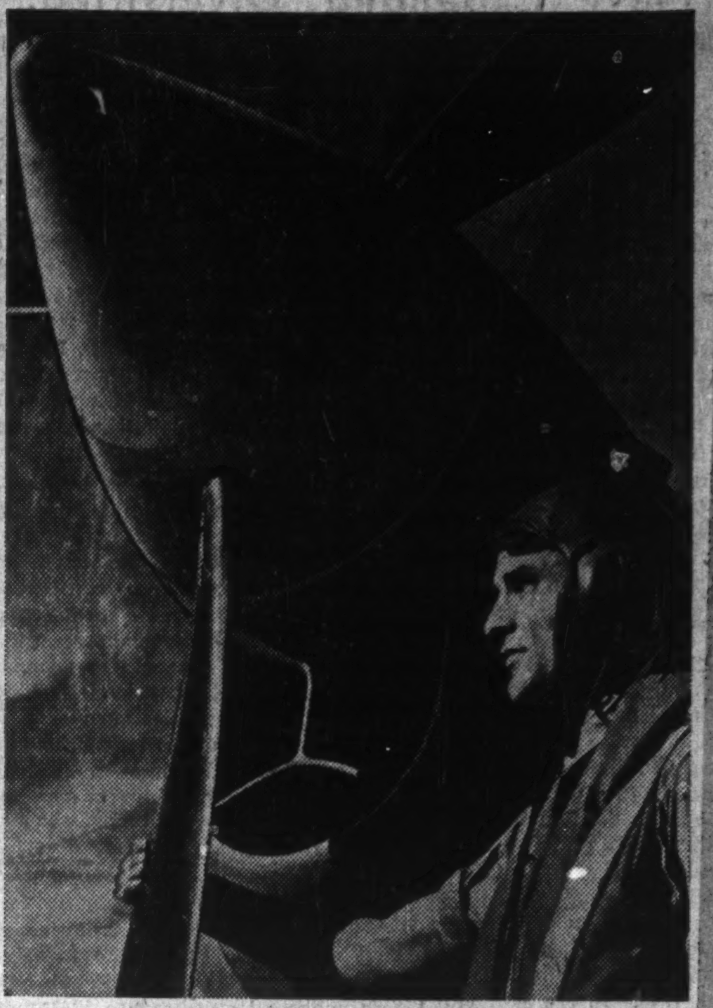
Canada's War Production On Parade

This Year's Achievement

Post Report for December Shows How Canada Helped Allies to go on the Initiative



Machines make the stuff of victory —



But it's men that bring victory.

Viewed in the light of the prospects for 1943 and against the background of actual production for 1941, the true significance of the achievements of 1942 begins to appear. The transition from peace to war has been practically completed, and in 1943, Canadian industry will again be on a "business as usual" basis, with the important qualification that the business carried on will be war business. The year now ending marks the turning phase of the war on both industrial and military fronts.

Physical Accomplishment

The figures of production achievements in 1942 that appear on this page and those that follow form a clear pattern for victory.

The transition was as much industrial as military. It was economics and industry that changed.

Partly for military reasons, partly because of the physical difficulties, many of the statistics for 1942 are early approximations and estimates. But that they tend to under—rather than over-state the progress made in 1942 is apparent from the following:

1. Many of the figures are in round dollars. They make no allowance for the increased buying power of the dollar in terms of war goods which has come about through sustained mass production and through the drive to cut material, labor and money costs to the bone. Here Canadian industry has much of which it could boast.

2. The figures for the most part show gains for 1942 in total—they do not show how much more Canada is producing at the end of 1942 than at the beginning of the year.

On the first point, some statistics on the reduction in costs were made available to the Parliamentary Committee on Gun Production. They showed that the cost of producing such a standard item of equipment as the No. 4 Rifle had already been cut to less than half. Since then the government plant of Small Arms Ltd. has stepped up its production by more than 4,000 rifles a month. That this has further reduced costs, hence given us a bigger dollar's worth in small arms output, is axiomatic.

On the second point, a statement of production co-ordinator H. J. Carmichael is significant. For September, small arms production was above the total for 1941. For November, the output amounted to 187% of the total for the entire year of 1941.

That sort of arithmetic goes a long way toward explaining why the British Eighth Army, driven back at El Alamein at the end of June, was able to shatter Rommel's powerful army three months, three weeks and three days later. And it helps explain why Montgomery's drive in Eastern North Africa could coincide with the landing of the British and American forces in the west, with the renewal of Russian offensives and with attacks on Jap forces in New Guinea and the Solomons.

And the figures, by their contrast with what was produced in 1941, lend new emphasis to the heroism of the men who held the Axis, "retreating toward victory," in 1940 and 1941.

All-inclusive Effort

The gains for 1942 have not been confined to the new plants in which tooling has only recently been completed. The progress has been phenomenal in "stable" industry. In clothing for the armed forces, the increases have kept pace with the growing numbers of our fighting men.

In 1942, up to the end of October, $128.6 millions had been spent by the Government for clothing. In 1941, the total figure was $73.1 millions for the year, an amount $2 millions more than in 1940. A year ago, 32,000 uniforms a week were being turned out, against some 52,000 in the average week today. The 20.7 million yards of cloth purchased in 1942 compares with only 6.9 million yards in 1941.

The same sort of progress has been shown by that other industry already "established" in 1941—mechanized transport. Providing almost twice last year's value of transport, the unit figure is considerably higher in comparison. Military production alone of the automobile industry compares favorably with total unit production in 1941, despite the fact that military vehicles have to be made about six times stronger than civilian vehicles of the same load, and that the majority of the military carriers have four-wheeled drive and need two "rear axles."

These progress reports from established industries serve to emphasize the fact that 1942 has been a year of increased effort from almost every type of industry. Over the year, according to the latest available figures, employment in industry as a whole has risen some 15.5%. Yet to date, only three industries have lost workers, according to the indexes. These three—mining, construction and "trade"—have individually declined from 3.7 to 9.3%. In short, with these three exceptions, the entire progress of 1942 has been "financed" by labor drawn mainly from outside of industry and by shifts of labor within industry to wartime jobs. The three labor-losing industries are given a weight of 23.3% in the index of total industrial employment.

What these figures mean is that while this is a total war, it is not a totalitarian war. The tremendous expansion of 1942 has come from normal peacetime plants, built with private capital under a free enterprise system. There are now some 4,000 plants manufacturing war materials, outside of the hundreds engaged in food processing.

New Plant Building Complete

During 1942, the Governments of Great Britain and Canada invested a further $200 millions in fixed capital for war production, bringing the total investment of public funds to roughly $800 millions. For practical purposes the plant expansion programme is now complete, and together with what has been invested in new plant and equipment by private industry, the total new investment is approximately $1 billion.

With the completion of the programme, Canadians have their first opportunity to measure the relative significance of government and private capital in putting the Dominion on a war footing.

Canada was $1 billion short in the productive equipment for modern war. From that fact, it can be reckoned that the equipment already on hand, built up almost entirely by private initiative, accounted for well over 90% of our entire war capital. At the last available estimate, 1933, Canada's national wealth was calculated at $25.7 billions. In 1936, the total funded debt investment in Canada—which does not include either equity capital nor the investment in personal real estate mortgages—amounted to $10.2 billions.

In other words, government capital accounts for well below 10% and perhaps as low as 3% or 4% of Canada's industrial fighting power.

But while it is important to get the true perspective of the relative weight of government and enterprise capital in Canada's war effort, it is equally vital to realize that the fields that have been bolstered by public investment are of tremendous significance in rounding out Canada's industrial structure.

Permanent Additions

The following table shows the allocation of the $800 millions of British and Canadian public investment in Canadian war plant to date:

	%
Guns, Mountings and Carriages (Includes Small Arms)	22.6
Chemicals and Explosives	21.2
Ammunition (Includes Small Arms Ammunition)	17.3
Raw Materials, not end products, miscellaneous stores	17.1
Aircraft	11.6
Shipbuilding, and Repairs	3.6
Tanks and Carriers	3.0
Machine Tools, Instruments, etc.	2.5
Mechanical Transport	1.1
	100.0

Apparent from the table is the fact that much of the expenditure has been for items which find no market in a peacetime economy.

But other accounts, such as raw materials, guns, mountings and carriages, represent additions to the Dominion's productive capacity that may have lasting effects. A large part of capital for the raw

(Continued on page 23)

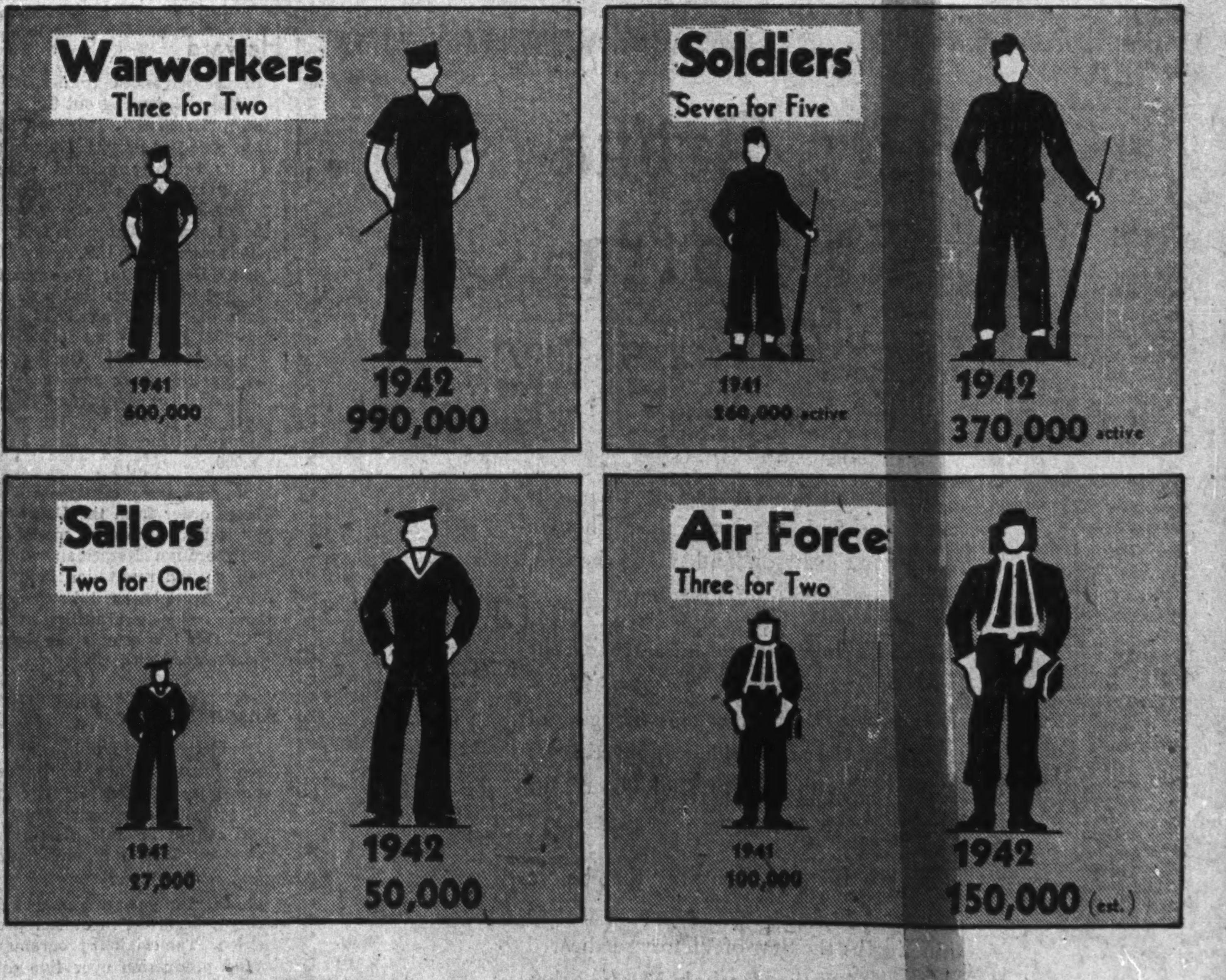
Canada's Record of War Production

(IN MILLIONS OF DOLLARS)

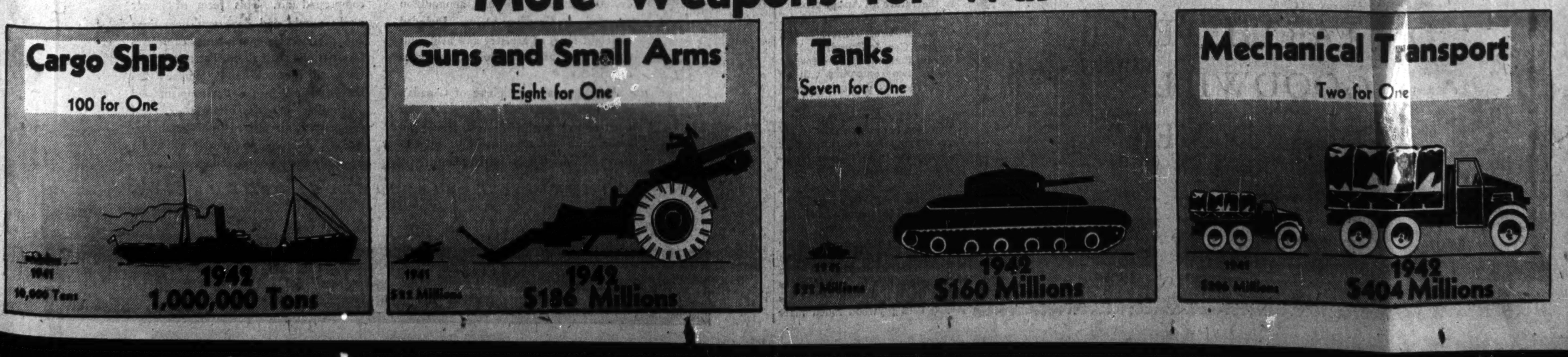
	1942 $	1941 $	1939-40 $
Mechanical Transport	404	206	119
Miscellaneous Military Stores (Includes clothing, personal equipment, foodstuffs, fuel, etc.)	390	190	97
Cargo and Naval Vessels (Including repairs)	274	105	23
Aircraft	235	102	42
Gun Ammunition (Including bombs)	227	95	14
Guns and Small Arms	186	22	1
Armoured Fighting Vehicles (Including tanks)	160	22	0
Chemicals and Explosives (Including filling)	121	50	2
Instruments and Communication	81	13	3
Small Arms Ammunition	41	16	2

AS FURNISHED TO THE FINANCIAL POST BY THE DEPARTMENT OF MUNITIONS AND SUPPLY

More Men for War



More Weapons for War



A Year of Progress — Aircraft

Sending Them Into The Blue

From Initial Trainers to First Line Fighters, Canada's Plane Builders Have Expanded, Diversified, and Improved Their Products

To the Canadian aircraft industry in 1942 there came two great realizations. First, that it could produce combat planes as good as the best; second, that it could produce aircraft cheaply but that it must continue to reduce production costs.

Evidence of the first realization is easy to find. Added to the production string of the aircraft industry in 1942 was the famed deHavilland "Mosquito," called the world's fastest and most efficient plane; and the long ranging Catalina amphibian, among the best coastal reconnaissance planes. The Lancaster four-engined heavy bomber has scourged both ends of the Axis; the first of this type of air terror will come out of a Canadian plant this spring. Newest addition to the production schedule is the hard-hitting Curtiss "Helldiver," dive bomber.

Catalina Contract

Second realization came early this month when the first Catalina to be built at the Montreal plant of Canadian Vickers took the air. Benjamin W. Franklin, head of Vickers' aircraft division, fulfilled the contract to produce all-Canadian Catalinas at the same price as asked by the United States company which had originated the aircraft and was in steady production. This marked the first time that a contract had been taken in Canada at a firm price the same as that of the U.S. maker.

Canadian aircraft makers well know that if their great industry which has far outgrown its swaddling clothes under the drive of wartime production is to survive in the postwar world, it must be prepared to meet peacetime competitive conditions.

Bell Keynotes

Blunt Ralph P. Bell, director-general of aircraft production, brought that fact forcefully home, when he recently told members of the industry:

"The aircraft industry of Canada has a tremendous postwar future, as long as you in the industry can get costs down to a level competitive with the rest of the world. You will have to hammer down costs until the price of Canadian-built planes will be as low or lower than those built anywhere in the world."

This strikes what might well be the 1943 keynote for the entire Canadian aircraft industry. The first three years of war have really represented a warming up exercise for what Canada will try to do in the fourth year. In that three-year period there has been what amounts to a revolution within the industry.

Our current volume of production is 2½ times greater than a year ago, five times greater than in 1940. In the 30-month period since June, 1940, Canada has produced 6,500 planes. About four-fifths have remained in Canada, the balance going to the United Kingdom and the United States, mainly the former. Of those still to be produced on the programme as at present set up, approximately 50% are for Canada, 50% for Britain and the U.S. Apart from a few hundred transports and trainers, all the aircraft for export will be modern first-line service and combat types.

The programme for 1943 will be based on the remarkable record of achievement in 1942, which saw the almost entire completion of the expansion programme, actual production of modern combat types, a 2½ times output increase in the face of that expansion, a tremendous parallel expansion in making aircraft accessories such as propellers, instruments, etc., wide and substantial increase in subcontracting work, trebling of monthly output of completed repairs on aircraft, engines and accessories.

New Knowledge

Those three revolutionary years have taught the industry much. As Canada's aircraft makers look ahead to 1943 they have behind them a solid backing of production know-how proved under the stress of unprecedented demand. Some of them have already taken long steps toward reducing the cost of aircraft manufacture, saving materials, manpower and machines. Here are some of the things that have been done:

The gasoline tank cover on an Anson is now made of plywood instead of aluminum, saving 52,000 lbs. of aluminum, 122,760 hours of labor and $227,039 annually. Seats in an Anson have been changed to plywood saving 55,242 lbs. of aluminum, 73,656 hours of labor and $117,[illegible]73 annually.

Seat cushions used to be made of rubber and leather cover; now they come with a fabrikoid cover and filled with curled hair to save 13,392 lbs. of material and $14,731 annually. Formerly the wireless mast was a streamlined steel tube and plate welded; it is now made of laminated wood and saves 1,116 lbs. of steel, 6,138 hours and $8,816. Changes in the gunner's parachute stowage compartment have saved 7,254 lbs. of aluminum and rubber and $41,559 annually.

Identification labels on the control panel of a Bolingbroke used to consume cellulose and acetate sheet with the engraving of 150 labels involved; use of decalcomania transfers saves 3,250 lbs. of needed materials, 20,000 hours of labor and $90,000 annually. Changes in the micro-switch housing of a Bolingbroke save 600 lbs. steel sheet, 600 ball bearings, 10,000 hours of labor and $75,000 annually.

The whole conservation programme at the Fairchild Aircraft plant is effecting an annual saving of some 369,900 man hours, or sufficient to build ten Bolingbroke bombers; dollar savings being $750,000.

Narrow Field

One of the most significant developments of the year in the field of aircraft production was decision to narrow down output to nine types of aircraft. These are first-string craft of which any country might be proud. Here are these planes and their makers.

First type of aircraft that a would-be flier meets is the initial trainer. To turn out the sturdy planes required is the job of Fleet Aircraft. Up until recently Canada's initial trainer was the Fleet and de Havilland "Moth," both now out of production. Demand for trainer craft brought a heavy expansion to Fleet facilities, expanded floor space to the present 205,000 sq. ft., and number of employees to 2,000. Main facilities of the company are engaged in production of the Fairchild "Cornell," now the standard initial trainer for the R.C.A.F. This is a similar type plane to that used by the United States Army Air Corps. Powered with a 175 h.p. engine the Cornell has a top speed of 135 m.p.h., cruising speed of 120 m.p.h. and landing speed of 48 m.p.h. Service ceiling is 17,200 ft. Power in the latest models has been stepped up to 200 h.p. on which performance figures have not yet been announced.

Harvard

In the advanced trainer field Noorduyn is pouring out the well known "Harvard." This craft has a top speed of around 170 m.p.h. and its brightly painted wings and fuselage are a familiar sight at practically every flying field across Canada. The same type of craft is used by the U.S. Army Air Corps. Demand for Harvards is reflected in the fact that production in the first 10 months of 1942 was 345% greater than during the same period of 1941. During the past year Noorduyn has increased its factory floor space from 270,000 sq. ft. to 654,000 sq. ft., with employment increased from 3,600 to 8,500.

This company recently received a large order from the U.S. War Dept. for an improved model of the Noorduyn Norseman which made a good reputation in bush flying. The plane will be used as a cargo and general utility transport. This is a completely Canadian designed aircraft.

Anson Trainer

Production of the twin-engined Avro Anson trainer is the responsibility of Federal Aircraft Ltd., government-owned company. Total output on this aircraft is now well into the four-figure mark.

During the year two important changes occurred in Anson production. The original programme spread production over five different Canadian companies with final assembly under direct management of Federal Aircraft.

In the future all Anson production will come from two plants, MacDonald Bros. Aircraft and Canadian Car & Foundry. It is believed that the joint capacity of these two companies will be sufficient to give production equal to the initial output planned at the start of the Anson programme. Experience has shown how to reduce the number of contractors for components to release facilities for other vital work.

Another important change is in the aircraft itself. The latest contracts placed through Federal Aircraft are for an extensively redesigned version of the Anson. Production to date has been on an Anson known as the Mark II. The new designs are to be known as Anson V and Anson VI. The new Anson uses plywood much more than the earlier model, saving much strategic metal and cost.

Bolingbroke

A twin-engined reconnaissance bomber, the Bristol Bolingbroke, is in steady, high volume production at Fairchild. Number of aircraft produced here during the past year was more than four times that of the previous year. Playing a large part in making that step-up possible has been the simplified control system worked out by the company. All the way through at Fairchild the production process is broken down into the simplest possible units so shortages can be quickly spotted and production speeded.

Hurricane

The famed single-seat fighter "Hurricane" has been produced at the Fort William plant of Canadian Car & Foundry. More than 1,000 of these speedy fighters have been delivered overseas and for defense of Canada. Plant space at Fort William has been increased from 285,000 sq. ft. to 500,000 sq. ft., with employees totalling 4,852. At Montreal floor space has increased during the year from 102,500 sq. ft. to 140,000 sq. ft. A large part of the work here is on the machining of castings and forgings for Hurricanes. This plant also works on an Anson subcontract. The Turcott plant in Montreal has been expanded during the past year to 146,058 sq. ft. from 100,000 sq. ft. to make Anson wings.

Mosquito Bomber

DeHavilland Aircraft of Canada is concentrating its full attention on the "Mosquito" twin engined reconnaissance bomber which is believed to be among the fastest aircraft made anywhere, including fighters. Many details of this plane are still a closely held secret but it is known to be largely of plywood construction and its armament is believed to consist of four cannon and four machine guns. The first Mosquito came off the assembly line this Fall and the production goal is five a day.

Catalina Heaviest

Heaviest aircraft so far actually turned out in Canada is the twin-engined PBY Catalina, being produced by Boeing Aircraft of Canada and Canadian Vickers. This plane has a remarkably long range and dependability. Its most famous exploit of the war was spotting the Bismarck and marking it for the kill. To produce these giants of the air (they have a 104 ft. wingspan and weigh 17 tons) Boeing employs close to 5,000 workers in a plant with some 392,400 sq. ft. of floor space.

Canadian Vickers aircraft division employs some 3,500 as compared with 400 at the start of the war. Its production has been changed over from the Stranraer with the first big Catalina being launched early this month.

Lancasters on Way

This spring will see the first Lancaster four-engined bomber come off the production line at Victory Aircraft. This plant was owned by National Steel Car Corp. but was taken over by the government this Fall. The Lancaster has made many headlines through the destruction it has wrought on enemy territory. It has speed of around 300 m.p.h., a range of up to 3,000 miles and in its 33 ft. long bomb compartment eight tons of explosives can be tucked away.

Helldiver

Major A. P. deSeversky in his book "Victory Through Air Power" calls the Curtiss Helldiver "the most powerful ship-borne weapon of its kind." Tooling for production of this dive bomber is now under way at the plants of Fairchild Aircraft and Canadian Car & Foundry. This plane is one of the newest designs in the U.S. and will be manufactured in Canada under license from the Curtiss-Wright Corp., Columbus, Ohio.

Workers Increase

To build these aircraft there has been a tremendous increase in the number of workers employed by the industry. At war's beginning there were something like 1,000 people in Canada working on aircraft production; a year ago that figure had grown to 37,000; today it is around 75,000. Some of these jobs are comparatively unskilled assembly operations which has allowed quick absorption of large numbers of female workers.

During 1942 the number of women workers was increased from 3,500 to 21,000—from 10% to 27.7% of the total.

For more skilled work, employees have been trained on the job through an "upgrading process." Many others have been trained in special courses in schools operated under the Dominion-Provincial War Training Programme. At these schools students learn machine shop practices, welding, metal work, aircraft woodwork and other trades.

Canada's record of production in the aircraft field is made more remarkable when the changes in types of planes produced is taken into account. To bring the Canadian programme to its present level of efficiency there has had to be almost a complete revolution from the early war ideas of the industry's capability. Retooling has been necessary on a wide scale and when production is changed over to a new type of aircraft there can be an overlap of nine months for tooling up. During that tooling up period production usually sags. Yet Canada, despite that great hurdle has increased its aircraft production manifold.

Material shortages have presented another large problem with the most critical materials being steel and aluminum. Due to establishment of special steel warehouses to serve the aircraft industry, no Canadian aircraft company has been forced to suspend operations through lack of steel. This, however, has only been achieved through the exertion of foresight and close co-operation.

Aluminum actually presents the most serious material problem. Progress has been made on standardizing alloys and sizes with further study being given this situation. Compulsory scheduling has been set up to ensure the best possible distribution of available supplies. Procedure has been established to recover all surplus and obsolete aluminum in the hands of the industry for re-distribution either back to companies where it can be used in its present form, or back to Aluminum Co. for refabrication. At the present time deliveries on practically all mill forms of aluminum are on a 12 to 15-month basis. The policy has been established that needs of the aircraft industry must be met before export will be permitted.

Repair Industry

Getting the planes into the air is only part of the story. To keep them flying has meant development of a brand new industry—that of repair and overhaul. In 1941 this industry handled $25 millions of work; it is now handling business at the rate of $100 millions annually. A year ago there were 6,000 workers engaged in aircraft repair and overhaul; now there are 20,000.

In the first three years of war the Canadian aircraft industry proved that it can take on and carry out successfully a tremendous job. For 1943 it is looking toward new peaks of achievement.

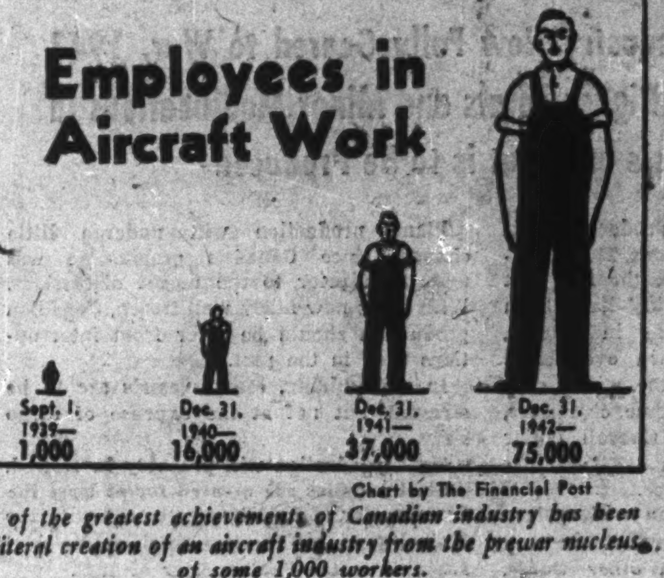


Chart by The Financial Post

One of the greatest achievements of Canadian industry has been the literal creation of an aircraft industry from the prewar nucleus of some 1,000 workers.

> "The aircraft industry of Canada has a tremendous postwar future as long as you in the industry can get costs down to a level competitive with the rest of the world."—Ralph P. Bell.

Aircraft Industry Log for 1942

TRAINER PLANES

Initial trainers changed from Fleets to Fairchild "Cornell,"
Anson output concentrated to two plants, type improved.
Harvard and Bolingbroke production continued at full throttle.

COMBAT PLANES

Production started on Mosquito reconnaissance bomber and Catalina patrol bomber. Over 1,000 Hurricanes delivered to date. Plants tool up for 1943 production of Lancaster heavy bomber and Curtiss dive bomber.

EMPLOYMENT

Aircraft manufacturing employment doubled during year to 75,000.
Repair and overhaul employment more than tripled to 20,000.

ECONOMY

New techniques of manufacture and product substitutions save heavy quantities of vital materials, precious tools, needed manpower.

Per Ardua
Ad Astra

{Through Adversities to the Stars}

★ ★ ★

At this fourth wartime Christmas, our hearts are with the brave men who are fighting in the air, on land and on the seas, for the great cause of Freedom.

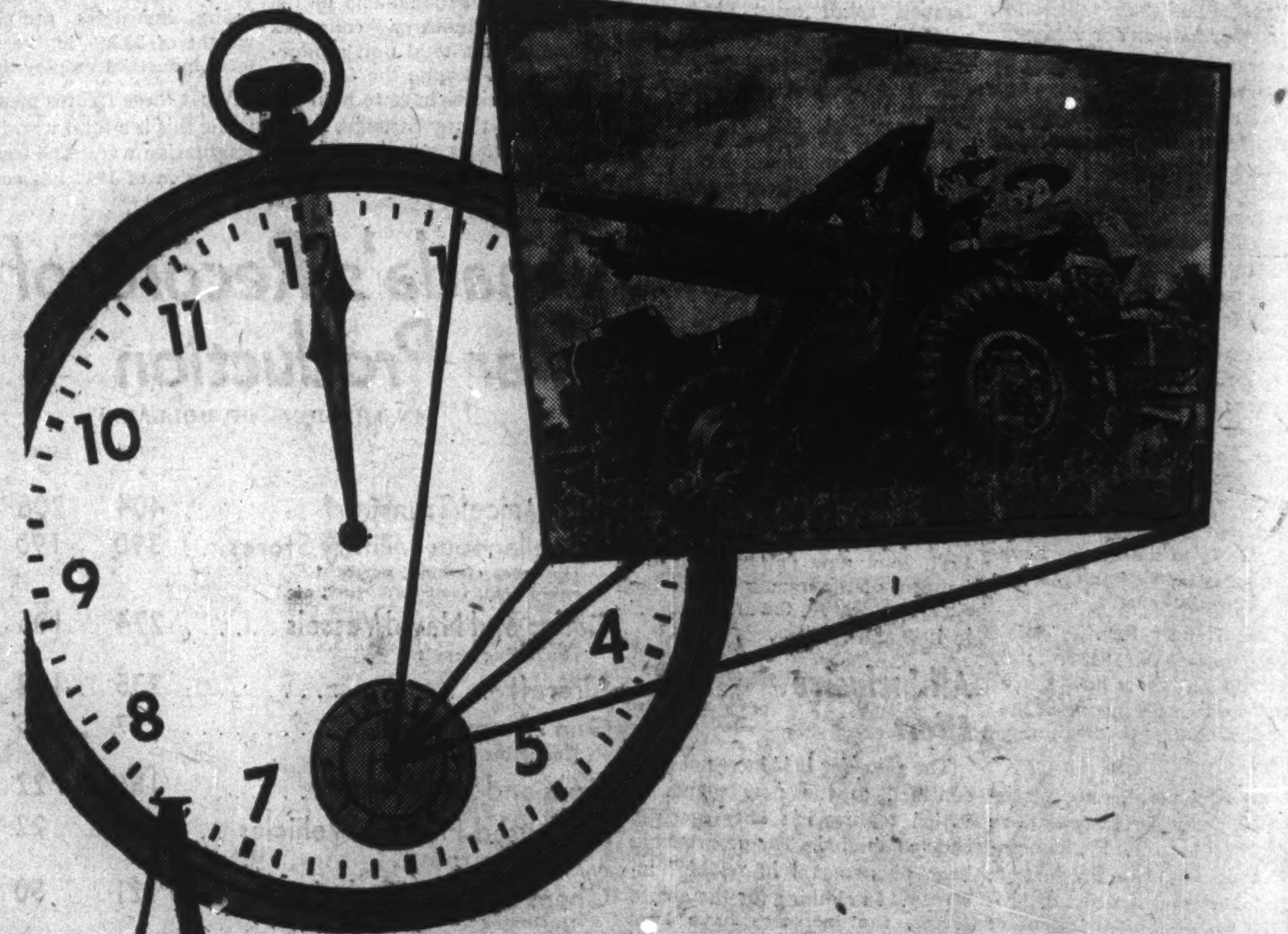
The stirring spiritual message of our brave Airmen's insignia, "*Through Adversities to the Stars,*" awakens thoughts of the Bright Star of Bethlehem charting its divine course to the Prince of Peace, Our Lord and Saviour.

On His Birthday, we pray that before another Christmastide, a new star will shine forth: the Star of Victory, dedicated to Him and to the Heavenly Message that came into the world with Him,—

"ON EARTH, PEACE
GOODWILL
TOWARD MEN"

★ ★ ★

ZELLER'S LIMITED


A GUN A MINUTE

EVERY minute of the day a gun is produced in Canada; every minute 40,000 rounds of finished ammunition are made in Canadian plants. Included are eight types of artillery and field guns and 14 types of small arms, aircraft guns and rifles.

Although only one phase of Canada's vast war manufacturing program, this outstanding production of guns and ammunition indicates the skill and efficiency of Canadian industrial plants.

Among the facilities which have aided the output of guns and munitions is compressed air. This form of power works untold and important operations and processes in gun plants, explosives factories and shell shops. For many years Canadian Ingersoll-Rand Company has been engaged in the development and application of air compressors, and compressed air driven tools and machinery. This equipment is in active use in nearly every war plant in Canada.

COMPRESSED AIR SPEEDS PRODUCTION

Canadian Ingersoll-Rand Co. Limited
head office—MONTREAL QUE. works SHERBROOKE, QUE.
branches at SYDNEY · SHERBROOKE · MONTREAL · TORONTO · KIRKLAND LAKE · TIMMINS · WINNIPEG · NELSON · VANCOUVER

A Year of Progress — Tanks

Big Battlewagons

New to the Trade, Canada Has Produced Well Into the Thousands of Her Two Types of Tanks — Has Built Nine in 1942 For Every One in 1941

Bigger of Canada's two tank models, the M-3 or Ram tank was one of the first to adopt the cast steel hull and turret. The chief advantages—low construction cost and better resistance to enemy fire.

Production of Canadian made tanks ran well into the thousands over the past year. In round numbers, for every one tank produced in 1941, at least nine tanks were made in 1942.

This is a remarkable achievement and tribute to the engineering ingenuity and ability of Canadian industry. A little over two years ago plans for building tanks in Canada were still on paper. There had been no previous experience in making this type of fighting equipment. Adequate facilities were lacking; personnel was untrained.

Since that time one of the largest machine shops in Canada has been converted to the manufacture of Valentine tanks. In the same area a huge plant has been built and equipped to produce the Ram tank. More than 7,000 workers are engaged in this work.

Canada has made certain commitments on tanks and other equipment for Russia and the plants have shipped on the due dates every tank and every piece of equipment that had been promised.

The Valentine, the tank that is being shipped to Russia in quantity, is a medium light tank officially rated at 18 tons. It is Diesel motored. Its body is of armor plate, riveted and bolted, and the rotating turret may be operated either by hand or by electric control.

In reality the Valentine is a giant mechanical ferret capable of burrowing its way through a brick building. As big as the living room of an ordinary house, it is able to climb steep ascents, ford streams, and rip through barbed wire entanglements or whatever ordinary defense works may be thrown up in its path.

Nearly 20 feet in length, the Ram weighs as much as a railway freight car. It can move over all types of terrain from swamps to rocky and irregular ground. It is powered with a Wright Whirlwind motor, which develops as much horsepower as several large, modern automobiles together. It is heavily armed with machine guns and a cannon capable of great offensive power.

Many hundreds of the Valentine tank, together with complete sets of spare parts, have been delivered to the Soviets. In addition well over 1,000 Ram tanks have been produced for the Canadian army.

Work was started on the Valentine tanks early in the summer of 1940. Thousands of parts are needed for its construction. No one plant can undertake the complete job. Accordingly it has been necessary to "farm" out the manufacture of many parts to sub-contractors.

In the initial stages, there was a degree of uncertainty as to the suitability of the model. Actual war experience brought to light weaknesses and these had to be corrected before a large scale production could be undertaken.

There were many delays, but once the design was "frozen," work proceeded rapidly and in a relatively short time the first tank came off the line.

The original contract placed by the British Government called for construction of 300 Valentine tanks at a cost of approximately $90,000 each.

This contract has since been filled, but supplementary contracts have enabled the contractor to continue operations on an even larger scale.

The Valentine contract was given to an operator who had the plant and much of the equipment necessary for its construction.

In the case of the Ram tank, the manufacturer who received his contract toward the end of Oct., 1940, had to undertake the building of a new plant and its installation with all necessary equipment.

With existing facilities a "pilot" tank was produced. It was largely an assembly job. This unit was turned over to the American authorities, for examination, testing, etc., as much the same type of machine is being made in the United States. The "kinks" were taken out of it, and the contract-holder was ready to go ahead with the job.

Build New Plant

First thing to be done was the construction of a new plant. Over $9 millions of new capital was allocated to the company by the Dominion Government. About one-half of this sum was for working capital and the balance for plant and equipment.

Within a short time one of the most modern industrial plants in Canada, and the second largest tank plant in North America, was complete and in operation.

The original Ram tank contract called for construction of 1,000 machines. At the rate they have come off the line, indications are this order has long since been completed and the contractor is working on new business.

Construction of both the Valentine and Ram tanks is the work of a score or more of primary and sub-contractors. It has been necessary to draw upon plants in all parts of this country and the United States for materials.

Tons of steel and armor plate are needed; Diesel and Wright engines; tracks, rubber treads, machine guns, artillery, smoke bomb throwers, radio equipment, telescopes, periscopes, telephone communication systems, and thousands of other parts.

The organization involved in securing the manufacture and delivery of these parts as required, so as to maintain a smooth flow of production, has not been accomplished without its difficulties and disappointments.

In developing components of these tanks Canadian steel mills have brought in new processes for making armor plate, and have developed steel castings as an effective substitute for riveted armor plate.

In many other ways it has been necessary to substitute and improvise, yet in effecting these changes the primary functions for which the tank was designed have not been overlooked. Cast steel hulls, for example, have increased the safety of the tank crews.

The contribution which Canada has made in the manufacture of tanks to the cause of the United Nations cannot be measured in dollars and cents. Canadian-made tanks helped Soviet Russia to take the "blitz" out of Hitler's war machine. In this connection Major General A. I. Belyaev, chairman of the Soviet Government Purchasing Commission, reports Canadian-made Valentine tanks have not only shown up well in battle, but "have proved themselves the best of all our imported tanks."

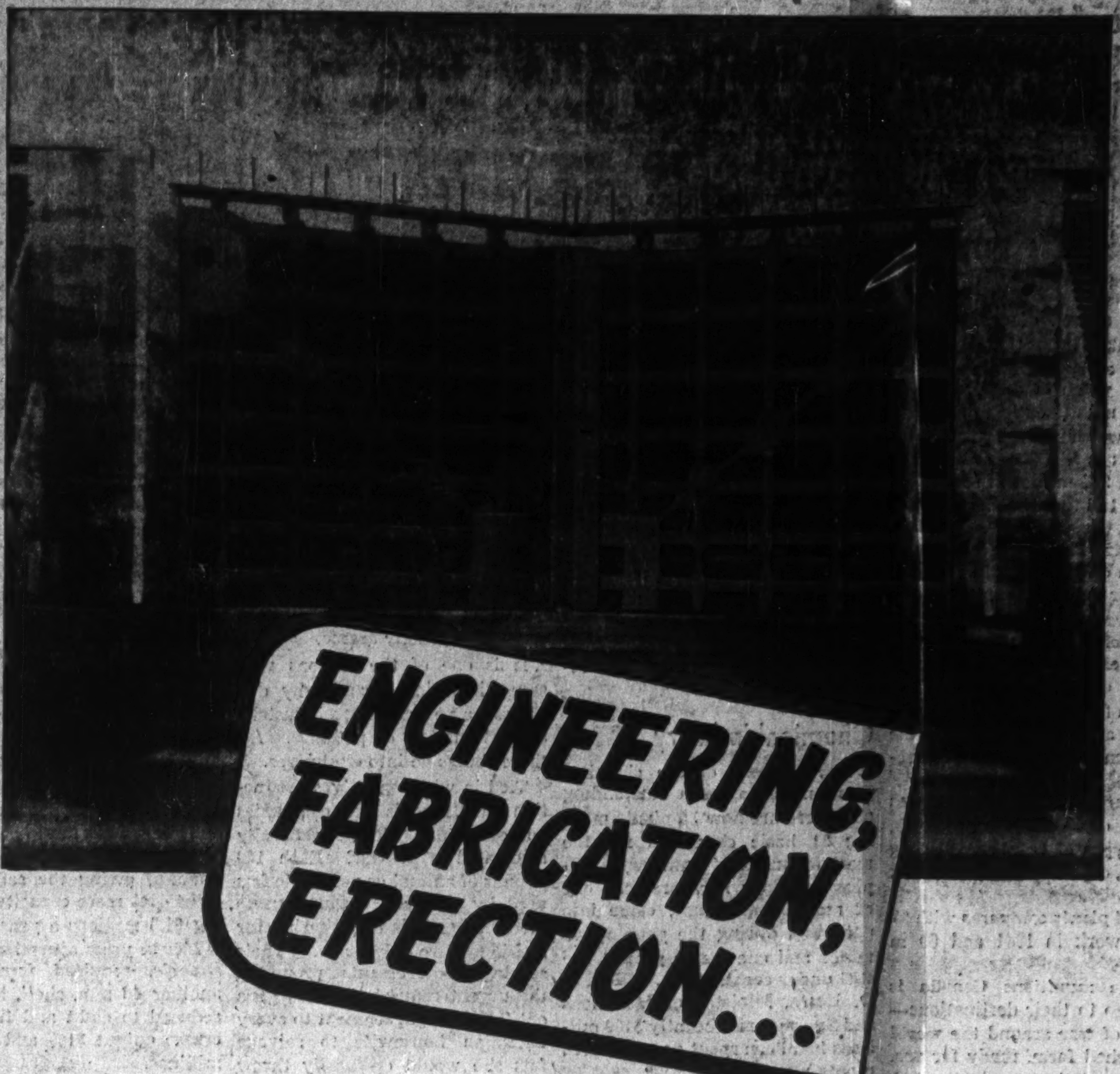
The tank programme over the coming year is not a matter of public knowledge. Whether it will continue at the same pace as over the last 12 months depends upon how such a programme will fit in with the general war production scheme.

Enormous quantities of war supplies have been produced over the past year. In some fields, the production rate is greater than present or anticipated requirements. Very considerable reserves have accumulated.

The re-orientation of the production programme is in progress in order to make the most effective use of materials available. Emphasis may be switched from items which have been greatly needed over the past year to others whose use has assumed new importance.

It is worth noting that during recent months difficulties have been experienced in securing certain essential supplies for tank production. For instance, there has been delay in securing tranmission parts from the United States. Steel supplies are short. Despite the huge volume of steel in all forms, it is becoming more and more necessary to channel available supplies into the building of ships and other urgently required equipment.

Valentine tanks "have proved themselves the best of all our imported tanks" — General Belyaev, head Soviet Purchasing Commission.



ENGINEERING, FABRICATION, ERECTION...

These large Tidal Dry Dock Gates — engineered, fabricated and erected by Hamilton Bridge, are a symbol of Canada's wartime progress. This excellent engineering project is but one example of what Hamilton Bridge can do for Canada in peace or war. Our facilities are now devoted almost entirely to the manufacture of weapons for war. But the day is not far off when once again Hamilton Bridge will be able to design, fabricate and erect steel for peace-time requirements.

Ask HAMILTON BRIDGE COMPANY LIMITED
HAMILTON, ONT. VANCOUVER, B.C.
ENGINEERING FABRICATION ERECTION

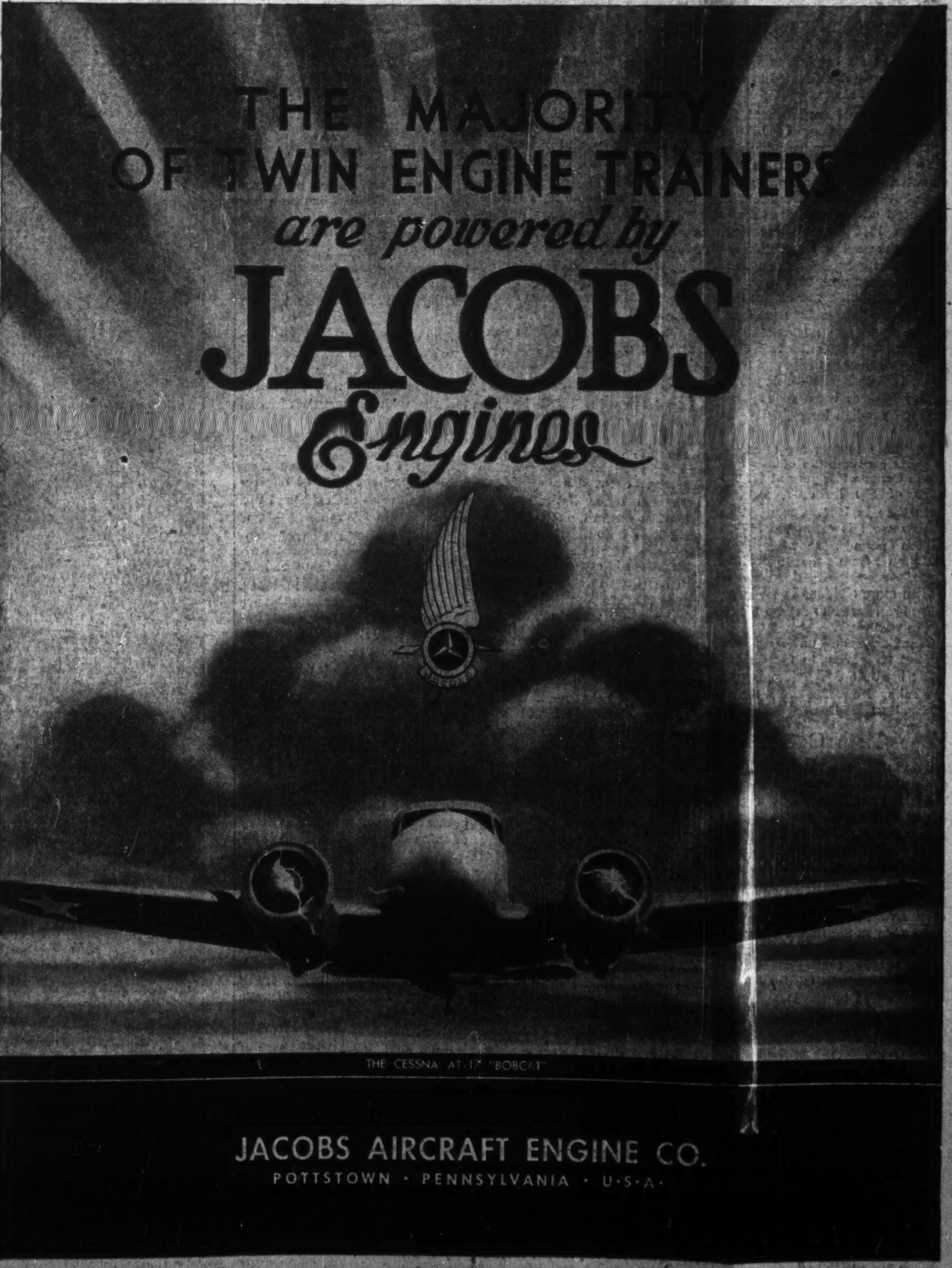
Carry 23 Men In Hun Gliders

Germany trains between 16,000 and 18,000 glider and parachute troops a year, according to the U.S. War Department, whose informant gathered the information at first hand.

The Nazi high command considers gliders a vital part of airborne invasion—so much so that it has glider regiments. These consist of four battalions of four companies each—three of rifles and one of heavier equipment, such as machine guns and mortars.

The ordinary glider for tactical use carries 10 fully-equipped soldiers and an equal number are carried in the tow-plane. The Gotha, the largest German glider, is said to carry 23 men, and has a wing span of 79 feet. It lands on three skids, the front one of which is retracted in flight.

For field kitchens and motorized vehicles the German glider troops have to depend on what they can capture. Hopefully, they carry spray guns to paint such equipment and mark it with swastikas.



THE MAJORITY OF TWIN ENGINE TRAINERS are powered by JACOBS Engines

THE CESSNA AT-17 "BOBCAT"

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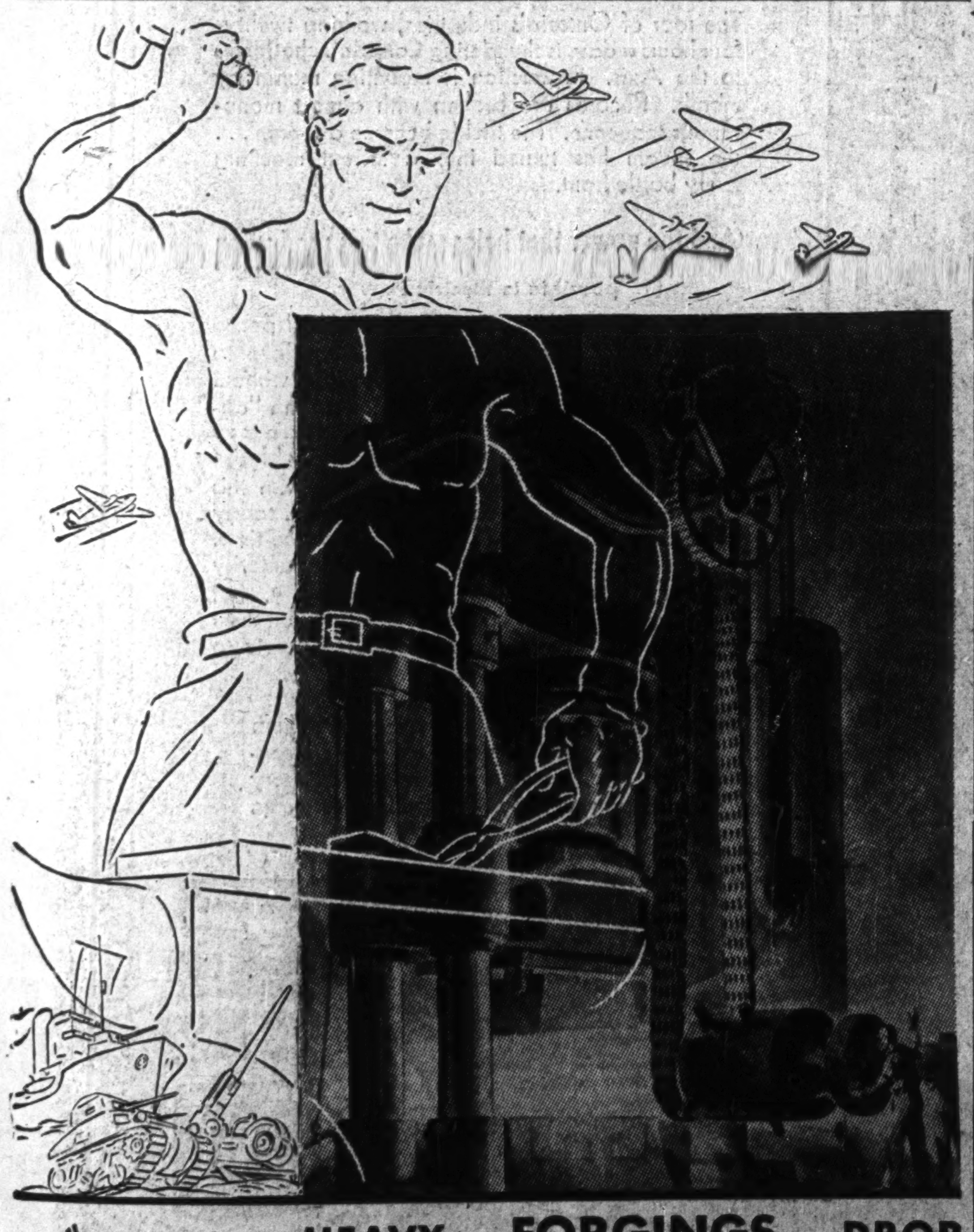

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A Year of Progress — Shells

Bundles for Hitler

Shell Production Soars in Canada

Every second of every day in 1942 Canada has made a shell or a bomb or a depth charge.

Dollar value of our production of these munitions from Jan. 1 to Dec. 1 was $226 millions. This compares with $95 millions in 1941 and $14 millions in 1940, but does not tell the whole story. New methods, new designs, have cut unit costs. Thus the actual increase in output is far larger than the dollar value shows.

From coast to coast we have 204 plants making shells, bombs, cartridge cases, fuses, primers, detonators and other components. The largest of them has 5,000 employees, and they range all the way down the line to small factories.

They are turning out 28 types of shells, of 14 different calibres, and 25 types of bombs, including grenades, depth charges, anti-tank mines.

The 204 plants compares with 97 on this work in 1941 and 69 in 1940.

All the munitions Canada is making go to their destinations—theatres of war around the world—in finished form, ready for use. This was not the case in the last war, when the Dominion shipped shells and components overseas to be filled.

Besides supplying our own forces, we are providing munitions for Britons, Australians, Americans, Russians, Fighting French, Chinese. Rommel's Africa Korps felt the sting of our six-pounder armor-piercing shot in North Africa, where his tanks were turned into scrap piles. Through the long, dangerous summer our shells helped the Russians stand off the German invaders, and now they are helping the Red offensive. On far-flung fronts anti-aircraft batteries blast German, Jap and Italian planes out of the sky with Canadian shells.

Production of completed munitions divides into three major parts. On the one side there is the chemical industry making explosives. On the other there are the plants making the projectiles, the cartridges, all the different components. They meet in the middle—at the shell filling plants—where they are finally assembled.

Chemical Industry

Development of the chemical programme has been outstanding and there are now 35 plants making 21 basic chemicals for the manufacture of military explosives. Four new projects, one of major importance, came into operation during the year. Five minor and one major project are still under construction. (Hon. C. D. Howe, Minister of Munitions and Supply, said recently $100 millions had been spent on explosives plants.)

Total production has risen rapidly. In the first 11 months of 1942 more than three times the quantity of chemicals was produced as in the same part of 1941. In November alone 100 million pounds of chemicals were made, against 55 million pounds in November a year ago.

Output is still climbing, accelerated by improved techniques, and substantial quantities are being shipped to the United States and Great Britain.

The military explosives industry is headed up by Allied War Supplies Corp., whose plants are for the most part isolated from crowded communities. A.W.S. directs the huge programme, which, although little is heard of it, has had far-reaching effects on civilians. This programme is the reason why anti-freeze of the glycerine type can no longer be obtained, why the use of glycerine for other purposes is restricted, why coal tar chemicals have become increasingly scarce.

It is one of the reasons why sugar is rationed, and why distillers are making industrial alcohol instead of potables. All these things go into explosives.

Tied in with explosives production are Canada's soap companies and other industries not generally associated with war. Each 100 pounds of animal or vegetable fats used by the soap manufacturers yields 10 pounds of glycerine for making nitro-glycerine. Their soaring requirements prompted the urgent request that has gone out from the government to every Canadian housewife to salvage fats she would ordinarily throw away.

For war purposes there are three main types of explosives:

1. The propellant or low explosive which drives the shell or bullet out of the gun.
2. The bursting charge, a high explosive which bursts the shell.
3. The detonator, a super explosive that sets off the high explosive.

The chief propellant is cordite, while the standard high explosive is T.N.T. blended with another explosive to make amatol. The detonator, most sensitive explosive of all, is usually fulminate of mercury.

A notable development this year in the manufacture of shell casings has been the elimination of certain drawing and annealing operations. This was made possible by new processes and redesign.

The casing of the 75 mm. shell formerly required 12 press operations and six anneals. It is now made with 10 press operations and five anneals. As a result, productive capacity of the equipment which produces these casings has been stepped up 33%. The saving in money is more than $1 million.

In the case of the 40 mm. anti-aircraft shell, 12 press operations and six anneals have been reduced to seven press operations and four anneals, giving the same equipment 44% more capacity and saving $1.5 millions a year.

Eleven press operations and six anneals, required formerly for another 40 mm. shell, have been reduced to eight and five, to increase output 31% and save $1.9 millions.

This is typical of what has been done right along the line, and besides the higher output and the saving in money, there has been a tremendous conservation of scarce materials. For instance, more than a million pounds of metal were saved through a change in the design of the rifle grenade, yet the new grenade is described by military authorities as "better and stronger."

The dollar savings which have been achieved are estimated by the Department of Munitions and Supply at $18.7 millions.

To Canada comes the credit of developing one of the chief present day methods of turning out shells—a method which has been adopted by both the United Kingdom and the United States. This process is called the "one-shot" method, and entails extrusion forging.

Canada has also had a big part in perfecting the forging of armor piercing shot from open hearth steel and tempering it by high voltage electrical processes. Formerly such shot was made from electric furnace steel, and had to be machined by a lathe. Lower grade steel, scientifically treated after the forging operation, now does the job as well if not better. How adequately, Rommel found out in Africa.

Here are some of the types of shells Canada is making:

40 mm. anti-aircraft (for Bofors)
6-pdr. tank shell
75 mm. (tanks and field guns)
18 pdr. field piece
3.45-in. (25-pounder)
25 pdr. smoke shell
3.7-in. anti-aircraft
4-in. naval
4.5-in. howitzer
5.5-in. howitzer
6-in. howitzer
7.2-in. howitzer
9.2-in. howitzer

One of the most important components of the shell is the fuse, and fuses are being made by a number of our peacetime plants which were accustomed to high precision work. Many, for example, are being made by a firm with long experience in manufacturing fountain pens.

The fuse does the brainwork of the shell. It's the thing that makes the anti-aircraft shell explode at the desired height, that touches off the depth charge at the proper depth. It's a fine and delicate piece of mechanism which is all important. Shells, bombs, depth charges, mines, may be shunted in a railway train, pitched around in a ship's hold, roughly handled by gun crews, all this with a large degree of safety. Yet the fuse explodes them just at the right time.

Shell-filling Plants

The shell-filling plants, where the explosives are put in the shells, have all been built since the outbreak of war, and are located outside the centres of population. One reason for this is that they must be spread over such a large area, their different divisions being separated for the sake of safety.

Because of their remote location new towns have grown up around them, with neat bungalows and rows of dormitories which house their employees, large recreation centres, hospitals, cafeterias, barber shops, postoffices, even banks.

The cartridge cases and the projectiles move toward one another in these plants on conveyor belts, each being filled on the way, and in the middle they are put together and packed for shipment to the fighting fronts. The big shell has more things in it than a Christmas stocking, and filling it is a multiple operation. This is mainly done by women, whose hands smaller and defter than men's, are best suited for the work.

Nearly 30,000 persons are now employed by these shell-filling plants — packing bundles for Hitler.

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A Year of Progress — Clothing

King's Uniform

How the Textile Army of 120,000 Does Its Job

Canada's textile industry has 120,000 "soldiers." That's the number of its employees whose efforts are wholly devoted to war work as 1942 closes.

While overall employment by the textile industry of 150,000 shows only a minor increase since the end of 1941, production has mounted rapidly. Uniforms, great coats, battledress, are being "mass" produced on a tremendous scale.

When 1942 opened, less than 60% of the wool yarn and cloth industry was occupied on war orders, compared with 80% now.

Value of textile war orders this year approximates $100 millions, according to one estimate. This compares with $43 millions in 1941 and $69 millions in the period from Sept., 1939 to Dec. 1940. Approximately 90% of these goods were for the Canadian forces.

Complete figures are expected to show consumption of raw cotton in Canada this year at 500,000 bales of 500 lb. each, slightly more than in 1941. Consumption of raw wool is estimated at 110 million pounds, showing little variation from the preceding years.

With more civilians in uniform, it has been easier to devote facilities to war work.

Canadian-made uniforms are finding their way to far distant spots: the United Kingdom, Egypt, Australia, New Zealand, South Africa, Russia.

Huge Cloth Output

Late in 1942 the rate of military cloth production moved ahead to roughly 20 million yards a year—a greater yardage than prewar production for civilian use. Military blanket output moved up to over a million a year. Socks and stockings for military needs are now being knitted at the rate of over five million pairs a year, underwear at the rate of four million a year. Uniforms and great coats are being turned out in huge quantities, with 1.4 million battledress ordered by the Department of Munitions and Supply in a single four months' period.

Facilities Enlarged

From orders already placed for clothing production for the armed forces, a record output is confidently predicted by industry officials for 1943. Facilities have undergone considerable enlargement in 1942.

While quantities have been stepped up tremendously, there has been no decrease in the quality of material turned out. Manufacturers have had their own inspectors go over everything before it passed on to inspectors of the Department of Munitions and Supply. Lieut.-General A. G. L. McNaughton is the authority for the statement that Canadian-made serge is tough and rugged and more serviceable than battledress serge produced in Great Britain.

Over half this country's textile workers are in Quebec, with the larger part of the balance—about 60,000—concentrated in Ontario.

Montreal has 36,000 textile workers and is our biggest textile centre. In second place comes Toronto with just over 20,000. Both these cities have been concentrating on war production.

Simplification

Regulations instituted by the Wartime Prices and Trade Board in 1942 have played a part in increasing production. Elimination of trouser cuffs, double-breasted coats, and other limitations on styles have saved cloth for war work. By eliminating two-trouser suits, the Wartime Prices and Trade Board estimates enough cloth has been released to manufacture 370,000 battledress uniforms a year, while eliminating cuffs on trousers saves 139,000 yards, or enough to make about 46,000 great coats for members of the C.W.A.C.

It is claimed that modifications in men's clothing should save enough material to make one uniform for every soldier, sailor and airman in Canada's armed forces, as well as for every woman on active service.

The W. P. T. B. regulations have been in effect only part of 1942. Their influence will be felt even more next year.

Helped Save Labor

Simplification in 1942 reduced the amount of labor per garment. This was one of the reasons why the industry was able to increase total production so substantially without a proportionate increase in workers.

With demand running in excess of productive capacity in 1942, great strides were made by the industry in improving technique, all the way from cloth production and dyeing to the sewing on of buttons and tailoring. In dyeing, drying and finishing operations, there has been more use of special chemicals and finishing agents.

Drying speeds have been increased, as has package dyeing of yarns. Use of synthetic resins has been increased to prevent shrinkage and creasing of cotton goods and to improve color fastness on dyed materials.

In tailoring, there has been concentration on a number of standard sizes rather than "made-to-measure" work.

Raw Materials a Worry

The wool and cotton necessary for cloth production has been one of the greatest worries of the textile industry. While this situation has not eased as yet, there appears to be some ground for thinking that raw material may be more readily available in 1943 than in 1942.

Already the United States has firmly established its lines of communication across the Pacific to Australia and the threat of interference with shipments of wool across the Pacific has been lessened. Production of wool in this country is being expanded from 15% to perhaps 25% of our requirements and the effects of this will be felt in 1943.

In 1943, the industry will probably show a most substantial increase in output without requiring any major increase in labor. At a time when labor supplies are running short, this is most important.

Besides our domestic tailoring facilities, the armed forces also have their own tailoring establishments which have a dual job; manufacturing garments in the "special size" category, and repairing and conditioning of garments before re-issue.

The air force joined the army in this work in 1942, and further important economies in the military clothing are in prospect.

Urge Farmers To Grow Peas

The U. S. Department of Agriculture is encouraging farmers in Southern and Middle Atlantic states to increase seedings of winter legumes as a means of maintaining the productive strength of their farmlands for war production. The seedings are needed to replace applications of nitrogen fertilizer that will be reduced because large quantities of nitrates are being used in munitions manufacture.

Growing of winter legumes — mainly vetches and winter peas — is recognized as one of the best methods of restoring productive vigor to the soil.

Power
PACES ONTARIO'S WAR PRODUCTION
SAVE HYDRO
USE ELECTRICAL APPLIANCES WITH CARE

Hydro and Ontario's Industries work side by side to produce the weapons of war!

The roar of Ontario's industries, working twenty-four hours a day, is thundering Canada's challenge to the Axis. Production is mounting month by month. Records are broken with almost monotonous sequence. The trickle became a stream . . . the stream has turned into a torrent reaching every battle front.

And the power that helps make this production possible is Electric Power.

Power is essential to our war effort. Until peace comes Hydro turbo-generators will continue to produce this vital element day and night, without rest . . . helping Ontario's industries set the "all-out" pace for Victory. Greatly increased quantities of power have been provided by Hydro since war began. However . . . even with this additional supply . . . there is not enough today to permit wide-spread use as in peace-time. Already many Hydro consumers have voluntarily played a splendid part in saving electricity. But there can be no "let up"—this conservation must continue and be increased to provide power to meet the growing demands of war industries.

We look to the days of peace when there will be power for every use. In the meantime . . . do your part . . . invest in Victory by saving your share of electricity every day.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

A Year of Progress — Rubber

Fighting Rubber Famine

The Solution—Saving, Synthetics and Salvage

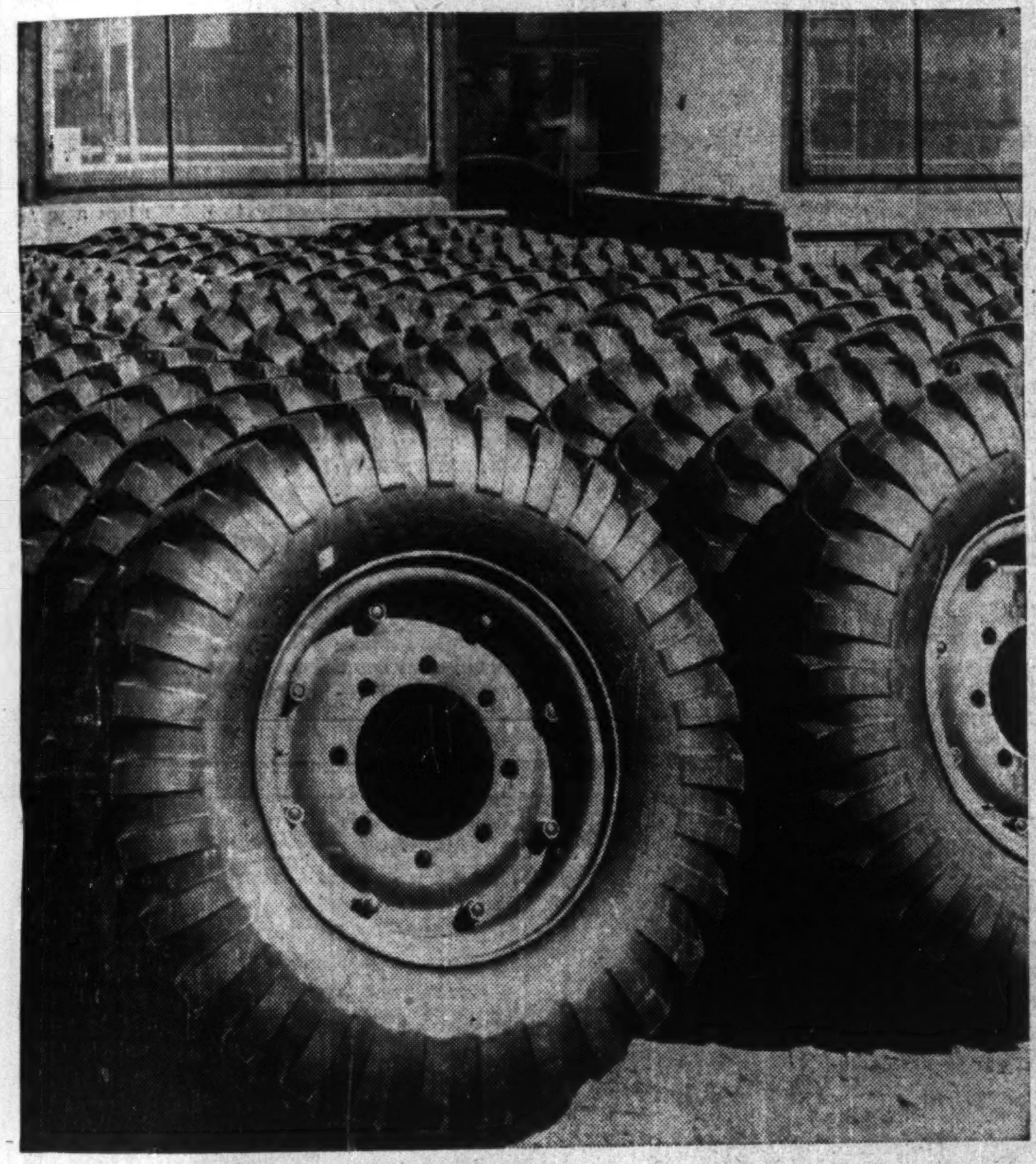
A few short weeks—late in 1941 and early in 1942 — completely changed the picture so far as the rubber supply of Canada and its Allies was concerned.

In the areas conquered by the Japanese during those weeks over 90% of the world's supply of crude rubber used to be produced. Left to the United Nations are only small and scattered sources of supply, chief of which is Ceylon with perhaps 100,000 tons annually, and scattered South American sources which had not been important prior to 1942.

Fortunately, this condition found Canada and the United States with record-breaking stock piles, a factor of tremendous importance in bridging over the gap between the loss of our former supplies of crude rubber and the bringing into production of synthetic rubber plants on a substantial scale.

Drastic Use Cuts

To help make our crude rubber supplies spin out as long as possible, Canada, like other nations, has embarked on major campaigns. First of all, we sharply reduced the amount of new rubber which could be used, almost entirely eliminating it from everyday civilian needs. The Army, the Navy and the Air Force came first and even here conservation campaigns were inaugurated. One automobile company alone saved 850,000 lb. of rubber this year. Civilian use of rubber has been cut more than 85%.



Fact that tires like these are still rolling out of Canada's rubber plants is a triumph of foresight and economy. The army is doing its share, has confined the "run-flat" tires, which can travel long distances at high speeds even after being punctured, to front line vehicles. Other army vehicles get "cross-country" tires, containing less than 10% more rubber than a corresponding civilian unit, against the "run-flat's" 50% greater rubber content.

Military Saves Rubber

With civilian use of rubber almost eliminated, what is available must be used only for absolutely essential civilian requirements, for industry and for military needs. Even the latter, although ranking in top priority for available supplies of rubber, has been greatly reduced. Every piece of war equipment which used rubber — and very few did not — has been carefully scrutinized for ways of eliminating the rubber parts or for substituting other materials.

All army trucks are provided with a portable inspection lamp and the handle of this used to be made of rubber. Now it is made of wood—and 27,096 lb. of rubber saved annually. Substituting a sprayed-on compound in floor mats for army trucks, in place of the rubber and felt assembly formerly used, cut rubber consumption by 111,563 lb. annually.

Military truck cabs are fitted with rear mud flaps which used to be made of rubber. Now canvas is used and 48,308 lb. of rubber saved annually on present production schedules. Substituting canvas, or canvas and steel, for the rubber bellows that used to be used around gear-shift levers, transfer shift levers and fuel tank filler necks of military truck cabs saved a total of 15,803 lb. of rubber.

Accelerator pedals in army trucks used to be made of steel, rubber covered. Now they are steel stampings only—and 12,043 lb. of rubber is saved.

Hair For Rubber

Universal carriers have proven fertile fields for rubber conservation. They used to have sponge rubber cushions and pads. Now they have hair pads and cushions and on three items alone have saved 71,500 lb. of rubber annually. Another item, a simple lifting strap, in the universal carrier used to be made entirely of rubber; now it is made from cotton webbing and 26,000 lb. of rubber saved annually. Universal carriers are each equipped with firing rests which used to be rubber molded in steel channels. Now they use a simple piece of wood with a consequent saving of 70,000 lb. of steel and 190,000 lb. of rubber each year.

In the 6-pdr. anti-tank gun carriage using a side wheel shield of malleable iron instead of one made all of rubber, saved 30,000 lb. of rubber and $5,694 in labor and materials annually.

The signal corps has to carry spare tubes for its transmitting and receiving equipment. These used to be fitted into molded sponge rubber. Now they use bakelite sockets and a steel base. They have saved 20,000 lb. of sponge rubber by using 15,000 lb. of steel.

Salvage Campaign

Simultaneously we embarked on an energetic campaign to salvage and reclaim rubber, a job more or less neglected during the peacetime years of plenty.

Before 1942, Canada had never collected more than 12,000 tons of scrap rubber in any one year. Now our national salvage campaign has as its objective about 25,000 tons of scrap rubber in 12 months and within about six months of starting the campaign had gathered up 15,000 tons. Voluntary salvage committees alone gathered 7,390 tons of rubber for salvage in the 19 months from May 1, 1941, to Nov. 30, 1942. This means several months' supply of salvaged rubber to keep our two reclaiming plants operating and scrap rubber is now being placed in stock piles where it is immediately available.

Yet in spite of the most stringent economies, Canada has been dipping into its stock pile of rubber at the rate of about 4,000 tons a month for most of this year.

It is not hard to see why rubber plays such a prominent part in the modern war. One division, including perhaps 15,000 men, in Canada's modern mechanized army requires as many motorized units as a whole army of 150,000 had in the field in the first Great War. The thousands of airplanes used in the Empire training plan and the other thousands used in active service all require rubber. A 28-ton tank requires as much rubber as 124 tires would; the carriage for a 75-millimeter gun requires 175 lb. of rubber.

But a soldier's raincoat used to use two lb. of rubber; today it is made of new synthetic products which eliminate rubber entirely.

The energetic campaign undertaken in Canada to eliminate or reduce the use of rubber has meant an important saving and is expected to permit the limited stock pile with which we started in 1942, plus what we can gather from scrap, to carry us through until new synthetic supplies will be coming in some time in Sept., 1943, as Hon. C. D. Howe, Minister of Munitions and Supply, expects.

It is in this programme to make synthetic rubber that the greatest current interest lies. Synthetic rubber will be primarily for war needs but certain vital civilian needs will get minimum supplies on much the same basis as the rubber controller has allocated crude rubber in 1942.

Polymer Corp., a government-owned company, has been working for several months constructing a plant to make synthetic rubber. This plant is expected to cost around $40 millions and to have an eventual annual capacity, to be reached in 1944, of 41,000 long tons. Mr. Howe expects this plant to be in production next September and maintains that it will continue as an important postwar industry, making Canada independent of foreign sources of rubber. Two types of synthetic rubber are to be made in Canada, 34,000 tons of the annual capacity being what is termed Buna-S and 7,000 tons Butyl type of synthetic.

Chief raw materials are to be derived from petroleum, although about 6,000 tons of the Buna-S rubber is to be made from Butyl alcohol which will come from existing distilleries and will use grain as its prime raw material.

Comparative Costs

Making synthetic rubber is a complicated and costly process. Some United States producers hope to get the cost of the Buna type of rubber down to about 20c a lb. and the Butyl down to perhaps 10 or 15 cents a lb. This would compare with an average cost of natural rubber ranging in recent years from 15 to 20 cents a lb. and holds some hope that the synthetic product could compete with the natural in the postwar years.

In the meantime, synthetic is undoubtedly our major hope and there is good reason to believe that it can be used successfully for most uses. In some cases it has advantages over the natural product, particularly in its resistance to oil, heat, air, as well as certain chemicals, all serious enemies of natural rubber.

Many Participate

Heading the Polymer Corp. is R. C. Berkinshaw, formerly chairman of the Wartime Industries Control Board of the Department of Munitions and Supply and in ordinary life general manager and treasurer of the Goodyear Tire & Rubber Co. of Canada.

Three other companies have been incorporated to handle various stages of the process. Imperial Oil Ltd. has incorporated a wholly owned subsidiary, St. Clair Processing Corp. This company will operate the Butadiene and Butyl rubber plant at Sarnia which Polymer Corp. is building. The Styrene plant will be operated by the Dow Chemical Co.

Canadian Synthetic Rubber Co., jointly owned by the Dominion Rubber Co., Goodyear Tire & Rubber, Firestone Rubber Co. and Goodrich Rubber Co., will operate the polymerization plant in connection with the synthetic rubber operation.

Winston Churchill Named Commandos

The word "commando" doesn't refer to an individual soldier. Actually, it describes a unit. Although it was first applied to the British raiding parties by Prime Minister Winston Churchill, it's really a Portuguese word. But we didn't take the word from the Portuguese. We took it from the Dutch.

The Dutch in South Africa used it to describe the mounted formations used in the Boer War. Each man capable of bearing arms was embodied into the Commando of the district to which he belonged. Each man reported to the commando rendezvous on his own horse, with his rifle, ammunition and food. These commando units were extremely mobile and each member was a fighter with plenty of individual initiative.

No doubt, when Prime Minister Churchill applied the word to the British raiders he had in mind a personal recollection of the day in Africa when a Boer commando unit surrounded the train in which he was riding and made him a prisoner.

Although the work of the commando soldier is still basically a matter of individual initiative, there have been plenty of refinements developed since the days of the Boer war.

Complex Tactics

An indication of how complex commando tactics have grown may be gained from the fact that their leader, Lord Louis Mountbatten, is a vice admiral, a lieutenant-general and an air vice-marshal. Technically, he is referred to as chief of combined operations. Six feet four inches in height and a sailor who grew up in the navy, Lord Mountbatten is a second cousin of King George.

He holds his three ranks not because he is a relative of the King but because he must actually work with the three arms of the service in directing the commando raids on the occupied coasts.

All commando members are volunteers who have served at least 18 months in regular units. Once they join, they start on a course of training that is second to none. Everything possible is done to encourage a feeling of independence. They are made to buy their own food and find their own lodging, instead of eating in mess halls and sleeping in army barracks.

Commandos Can Cook

They are taught how to kill, dress and cook their own meat. In their training, special emphasis is placed upon the business of stalking prey — human or otherwise—without being seen. During these manoeuvres, the recruit is warned orally the first time he shows himself. The second time, a blank shot is fired toward him. But if he shows himself a third time, a live bullet is fired at him, plenty close enough to impress the lesson upon his mind.

All of his training is of similar toughness. He is taught how to use, with quick and quiet efficiency, the long, straight knife that is the favorite weapon of the commando fighter.

Selecting Men For Right Job

Sorting out and analyzing the occupational skills, hobbies, education, and aptitudes of men who enter the army and fitting them into assignments where they can make the greatest contribution to the war effort is the job of skilled personnel officers who were carefully selected and trained.

Unlike material, personnel is never static—it is always changing. A man entering the service today and classified as a mechanic or a potential machine gunner may next month or several months later display aptitudes which may make him a potential anti-aircraft gunner, a diesel engine mechanic, a tank commander or an officer candidate.

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For these ships, so vital in maintaining our life line, Dosco provides the tough hide of hardened steel . . . Ship-plate! Steel that will float our machines of war across the seven seas! Other war *matériel* comes within the scope of Dosco's vast resources—including destroyers, gun-mountings and shells—but none can be of greater import than the tons of ship-plate rolled forth daily. It is the steel that MUST float us on . . . *to Victory!*

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A Year of Progress — Iron and Steel

We Major in Steel

1942 Has Seen the Canadian Steel Pattern Fill Out to Gain New Balance In Output, New Skill in Economy

Five phases of Canada's steel production in 1942 are outstanding:

1. The indicated output of almost three million tons of ingot and cast steel—over half a million tons of steel more than 1941's total of 2,411,887 tons.

2. The new high for steel capacity (ingots and castings) at 3,402,000 tons late in 1942 with a 500,000 tons of additional capacity under construction. Closely related is the increase in pig iron blast furnace capacity to 2,123,320 tons in 1942.

3. The new economy of alloy metals—and the maintenance of quality steel production through improved steel-making technique and "lean alloy" formulas.

4. The new steel-handling methods—increased emphasis on steel casting, extension of steel forging and induction methods of hardening, with consequent reduction in processing stages.

5. The continued growth in output of special steels, tough alloys for which we now have a capacity of 400,000 tons a year against a mere 15,000 tons before the war. Although the trend has been more toward simplified recipes for steel, the lack of special alloy capacity before the war has meant that both trends have developed simultaneously.

What Increase Means

Translated into production, the extra 500,000 tons of steel turned out in 1942 is the equivalent of 20,000 medium tanks or 40 million shells for 25 pounders. It would be sufficient to turn out many times the 40,000 motor vehicles shipped to Egypt.

But the 500,000 tons of extra steel production doesn't measure fully the extra steel war industry has had made available to it. Aside from U. S. imports, Canada has diverted large quantities of steel from civilian to war use; the increase in war production in 1942 goes far beyond the extra 500,000 tons of steel turned out.

The boost in steel capacity from 3.2 to 3.4 million tons and the extra 500,000 tons of capacity to be completed in 1943, are definite indications of a higher steel output to come. The increase in production is actually likely to exceed the rate of expansion of capacity for new ways are continually being worked to cut the time lost in overhauling furnaces, etc., to the bone.

Two Firms Expanding

Most if not all of the new 500,000 tons of capacity being added to Canada's steel industry is expected to come into play within the next four months. Part of it will be in the "special steel" category. Expansion is divided equally between two plants, Steel Co. of Canada and Algoma Steel Corp.

A new electric furnace at Steel Co. of Canada will add 130,000 tons to our special steel category—boosting capacity in this field to well over 500,000 tons per annum. A Bessemer furnace to start about the same time will give 120,000 tons of extra annual capacity of lower grade steel.

The Algoma Steel Corp. addition is in the form of a Bessemer converter which will produce about 250,000 tons of new steel a year. Some of this will be in the form of synthetic scrap for use in open hearth operations. The Algoma tonnage, originally scheduled for last spring, has been delayed by the labor shortage in the Sault Ste. Marie area but is expected to be in operation before next summer. The new capacity will help offset a cut in the amount of steel being imported from the United States.

Wonders In Metallurgy

In the face of an alloy metal shortage, Canada is turning out the greatest quantity of high grade steels in her history. Wonders have been worked in developing and adapting lean alloy metallurgy; in making closely-controlled heat treatment and quenching do what was formerly done with a generous use of alloy metal. Alloys are still vital, of course, but in smaller quantities. Much better use is being made of molybdenum, carbon and manganese, widely used in lean alloy metallurgy; and huge quantities of nickel, tungsten, etc. are being saved.

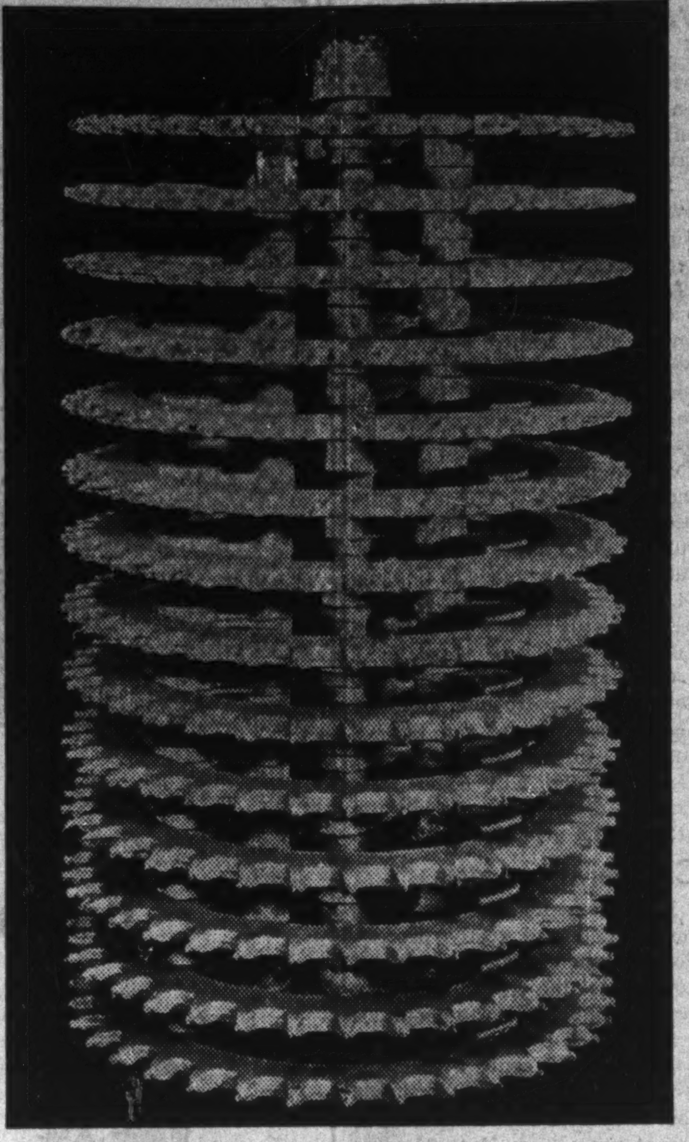
Some of the lean alloys turned out in 1942 have shown superior qualities to their earlier high alloy steel counterparts.

But great as has been the adoption of "lean alloy" methods, the importance of maintaining and increasing output of alloy metals and alloy "addition agents" hasn't been neglected. Production of ferro-alloys (elements combined with iron) for addition, either in the furnace or to the ladle steel, has been maintained in 1942, although sources of raw materials have been cut off and ocean deliveries have been uncertain.

Seven Ferro-alloys

Canada at the close of 1942 turns out seven ferro-alloys in addition to pure alloying elements such as nickel, tungsten, molybdenum, etc. For one or two of these ferro-alloys, raw materials haven't been a problem. Take ferro-silicon. This is made in the electric furnace using scrap iron and quartzite —both of which are available at home.

But in making ferro-manganese, the industry has had to depend on such distant sources as India and the Gold Coast. Ferrochrome is made from chrome ores which come from such distant places as Cuba and New Caledonia. But ferrochrome can now be replaced by "Chrom-X," a ferro-alloy turned out only in Canada—using low grade chrome ores such as we are now finding at home. Capacity for producing "Chrom-X" will be doubled shortly.



This "Christmas Tree" casting is an example of the new techniques being employed by the men who work with steel. Each layer of the "tree" will ultimately form a separate sprocket wheel for the universal carrier, but instead of each being forged or cast separately, 14 can be produced simultaneously in a revolving mold. Object of rotating the mold is to drive the liquid metal into all parts of the pattern by centrifugal force. The technique has been applied extensively by Ford Motor Co. of Canada.

All the improvements made in the steel industry haven't been confined to the actual product turned out.

Canada has been a leader in working out more effective ways to handle steel. Casting of steel has been accelerated since the outbreak of war due to the limitations of rolling mill capacity, and of machine tools.

In tank building, casting got its first big play in the hull of the Ram tank and has now been adapted to the Valentine tank. The Valentine's nose is now of one piece of cast steel instead of the former five steel plates bolted together.

Further progress has been made in the actual technique of casting. Big, fairly regular, objects are relatively simple to cast but parts for trucks, universal carriers and guns presented a problem from a casting standpoint. The solution to that problem has been found in the revolving mould.

When an intricate steel casting is desired, the moulds are revolved as molten steel is poured in. The centrifugal force hurls the hot, liquid metal into the smallest crannies of the mold to produce cast parts that are stronger, better and more quickly made than the ones they supersede. A Canadian company—Ford of Canada—has adopted this technique extensively with great economies in production of universal carriers as a result.

Further progress has also been made in forging and electrical induction hardening, marking still further progress towards increasing the flow of steel war production goods and cutting unit costs.

Extension of "special steel" capacity to 400,000 tons a year in Canada to take care of war requirements has been a natural development. Special steels come from the electric furnace using immense quantities of hydro power which can be developed relatively cheaply in Canada. Many of the alloying elements required are produced in this country.

From a military requirements standpoint, the increase in "special steel" capacity is of prime significance. Furnishing the barrels for our high powered guns, the cutting edges for our machine tools, the special steels are vital, both as weapons and the makers of weapons.

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Windsor, Ont.

The Oil Shortage

Military Needs Up, Subs Curb Imports

Intensified U-boat campaigns along the U. S. Atlantic coast and in the Caribbean, and the increased strain placed on tankers by the spread of war to the Pacific, weakened our petroleum position in 1942.

This necessitated a progressive tightening of restrictions on the use of such products as gasoline. When gasoline rationing started last April, each ration unit was five gallons. Now it is three.

At the same time many motorists have been reduced to lower ration categories than those in which they were originally placed and an entirely new rating has been established for those whose cars are used only for pleasure.

Restrictions have also been imposed on fuel oil. This may no longer be used for heating in a wide range of buildings such as hospitals, schools, theatres, restaurants, apartment blocks, warehouses, stores.

Asphalt is likewise on the restricted list, since it is a source of fuel oil for the navy. Its use for paving, other than paving for direct war purposes, has been prohibited since June.

Canada produces less than one fifth of her petroleum requirements. More than 90% of what she does produce comes from one small area in Alberta, Turner Valley. Domestic production is barely holding its own and there seems little immediate prospect of an important increase.

The four fifths of our requirements which must be imported, comes by lake and ocean tanker and by pipe line. Here's how we got our oil in the 12 months ended April 30:

How Canada Gets Its Oil
12 Months Ended April 30, 1942

	%
Produced in Canada	16.7
Brought by lake tanker from U. S.	21.4
Brought by ocean tanker to Canadian ports	38.9
Brought by ocean tanker and by pipeline from Portland to Montreal	5.2
Brought by pipeline from the U. S.	17.1
Brought in by tank car	0.7
	100.0

Contributing to the shortage has been the ever increasing need of the armed forces for gasoline —particularly for aviation fuel for the R.C.A.F. and the Commonwealth Air Training Plan.

Before the war our output of aviation gas was small. Now it is large, and still growing. Production of aviation base stocks has been increased by more than 1000% largely by modifying operating methods.

New refineries have been built in western Canada to produce this from Turner Valley crude oil. Modifications and alterations have been carried out in other refineries. All major companies have participated. Plans are now ready for a plant at Calgary to make blending agents for use with aviation base stocks produced in Canada. These blending agents are now imported from the United States.

It takes 5,000 gallons of gasoline to train one airplane pilot to the stage where he gets his wings. Canada has trained thousands of these and other thousands of observers, air-gunners and navigators.

Fuel Oil Promoted

Fuel oil, in the old days regarded as a by-product of gasoline, has now come much to the fore. Many millions of gallons are needed annually to supply the 400-odd vessels in the Canadian Navy. Canada's industrial production is probably 200% of what it was in 1939 and modern machinery uses great quantities of oil. A single battleship requires 750,000 gallons to fill its tanks.

All of this has meant a shift in the emphasis on various products.

Formerly, perhaps 60% of a barrel of oil was turned into gasoline; today this may have been reduced to around 40%. Fuel oil output has almost doubled, although in the last prewar year it accounted for more than one-third of the petroleum consumed in Canada.

Canada's requirements for lubricating oils has increased almost two-fold since war began. This increase has been largely handled by increased capacity in the largest lubricating oil refinery. A new lubricating oil refinery is being built and is expected to be ready next spring.

This year Canada will probably produce nearly 11 million barrels of crude petroleum. This would compare with 10.1 million barrels in 1941 and 8.6 million in 1940. The increase falls far short of the increased consumption during the same period.

Turner Valley

Turner Valley, Canada's largest source of crude oil, has been able to maintain production of some 26,000 barrels daily through 1942. Prospects for 1943 suggest that production will be at roughly the same level.

Other oil fields in Alberta hold somewhat greater promise of increase. Recently it was announced that the Canadian National Railways is to start an important development in the Vermillion field in Alberta, putting down 50 wells, primarily to produce heavy grade of oil to fire the company's locomotives. This is a relatively shallow field in which a well can be drilled for a small fraction of the cost of a well in Turner Valley.

Rubber From Oil

Likely to rank high in the petroleum picture late next year is the production of synthetic rubber. Most of the butadiene, main component of this rubber, is to be made from petroleum in a plant now being erected in connection with Imperial Oil's refinery at Sarnia. This is the only refinery in Canada which has direct access to large crude oil producing sections in the United States through its own pipe line.

The whole petroleum situation is going to be determined in 1943, as it was in 1942, by transportation. In the main, this means ocean tankers.

ANSWERING THE CALL!

The vast battle now raging across all continents and oceans is being decided not only with guns and bombs but also with factories, fleets and railroads. These great implements of total war — ships, planes, trains, industries — must be protected against the elements as well as against the foe. Here International Paints, a world-wide paint organization, is proudly in the forefront of Service, being a foremost supplier of paints and finishes to Allied railroads, industries, and to Allied fleets, civil and military, on sea and in the air.

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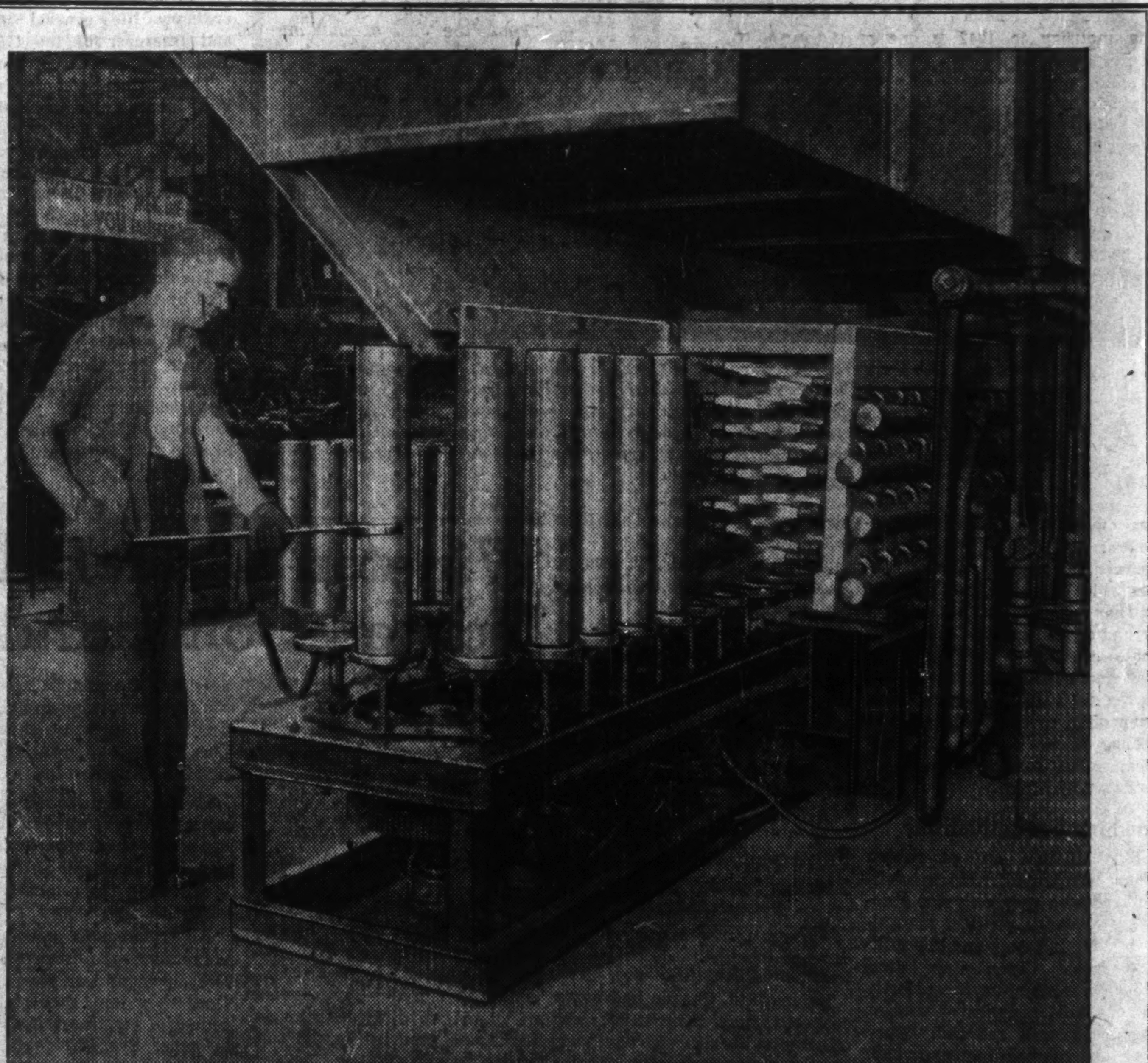
HALIFAX · SAINT JOHN · MONTREAL · TORONTO · WINNIPEG · VANCOUVER



Cartridge Cases
Annealed by Gas

Pictured is A GAS-FIRED TUNNEL FURNACE which "anneals" 3.7" and 4" naval anti-aircraft cartridge cases.
Through this furnace, located in a Toronto plant, the cartridge cases travel by automatic conveyor between banks of blast gas burners.
This is only one of the many ways in which the dependable blue gas flame is helping to fashion metals into weapons of war.

The Consumers' Gas Company
INDUSTRIAL DIVISION
124 Richmond Street West Phone AD. 6941.

A Year of Progress — Shipbuilding

From One Ship to One Hundred

Canada's 10,000-ton Ship Built in 1941 Has 100 1942 Sisters

Canada's $900 millions shipbuilding programme has meant revival of an industry practically dormant since the end of World War 1. Activity has opened up new yards, greatly expanded old ones on both east and west coasts, along the St. Lawrence and up into the Great Lakes. That programme ranges from rowboats to 10,000-ton merchant vessels. Something new for Canadian shipbuilders are combat craft for the navy. Minesweepers, corvettes and destroyers are under construction in Canadian yards. Shown is a corvette, tightly built speedy little terror of Axis subs, equally effective on coastal patrol and convoy duty. Ability to produce quickly large numbers of this type of craft has played a large part in the expansion of the Canadian navy's strength from the prewar dozen to its present strength of around 500 ships.

In 1941 Canadian shipyards produced one 10,000-ton vessel; we are now producing one every three days. Merchant ship construction in 1942 totalled **some one million** tons; the 1943 **target is 1.5 million** tons.

The story of Canada's shipbuilding industry in 1942 is one of spurring achievement to meet pressing needs. As the tempo of war has stepped up so has the pace at Canadian shipbuilding yards. There had to be more fighting men sent across the water, more fighting equipment, more food, more of everything that means fighting a war through to victory — more ships to carry that material across and more fighting ships to protect the sea lanes.

1942 Score

This month, as 1942 drew to a close, the shipbuilding industry could issue this progress report:

Since war's beginning Canada has launched almost 300 combat ships, including corvettes, minesweepers, patrol boats, base ships and other vessels.

Progress is well advanced on construction of two destroyers of the Tribal class.

The small boat programme involves an expenditure of $13 millions and now is approximately 75% complete.

The total programme calls for an estimated expenditure of $900 millions, an increase of 50% on the year.

The cargo vessel construction programme calls for building nearly 300 merchant vessels of the 10,000-ton type at a $600 millions cost. More than 70 of these have already been delivered, one only 88 days after laying of the keel.

The shipbuilding programme is being carried out in 21 major shipyards and 58 smaller yards located on the east and west coasts, St. Lawrence River and Great Lakes. About 50,000 workers are employed in these yards, an increasing number being women.

Extensive facilities for ship repairs have been provided at $6 millions cost, including a floating drydock, new docking space and additional machine shop buildings and tools for repair work.

10,000 Tonner

No glamor craft to look upon, the 10,000-ton cargo vessel is kingpin of the shipbuilding programme. This workhorse of the oceans, now coming down Canadian ways at the rate of some 11 per month, is playing a very substantial part in helping to supply the fighting fronts.

Each 10,000-ton ship costs around $1.75 million. On a single voyage it can carry all these: enough flour, cheese, bacon, ham, canned and dried fruits to feed 225,000 Britons for a week; 2,150 tons of metal; enough motorized equipment for an infantry battalion; 1,900 tons of bombs; two complete bombers and enough aluminum to build 640 fighter planes; enough lumber, plywood, wallboard and nails to build 90 four-room cottages or a row of dwellings nine blocks long.

Building one 10,000-ton cargo vessel requires a mile of steel plate approximately five feet wide. Its engine is capable of generating sufficient power to serve a community with a population of 20,000 with electrical energy.

Those figures may give some idea of the tremendous task that the shipbuilding industry has in hand. This effort is coming from an industry that was virtually non-existent before the war.

Dormant Industry

In World War 1 Canada was in the shipbuilding business but in the ensuing years the yards became deserted, skilled workers slipped off to other trades, building deep sea vessels became practically a memory.

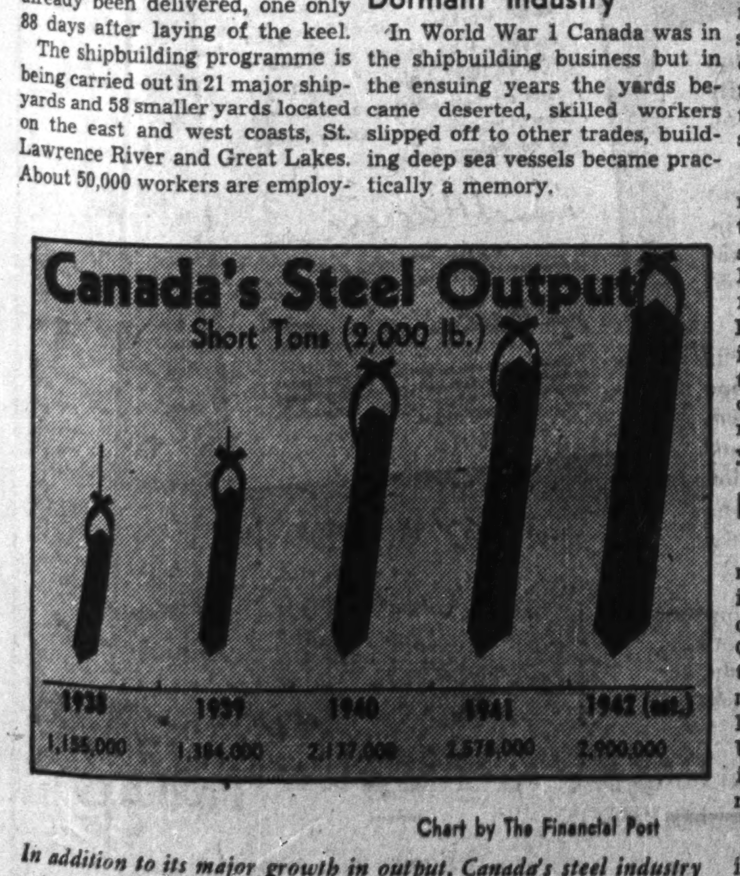


Chart by The Financial Post

In addition to its major growth in output, Canada's steel industry has added new and important specialized steels.

It was soon recognized that the famous old shipyards of the United Kingdom could not meet the need for new merchant shipping. Production at these yards would be hampered by bombing and blackout, moreover they had to concentrate on building fighting ships. Thus, the task of building the freighters was largely given over to Canada and the United States.

First major step toward a Canadian merchant shipbuilding programme was taken in early 1940 with arrival of the British Shipbuilding Mission headed by Sir Arthur Salter. Result of that visit was a contract from the British Government for 20 of the 10,000-ton vessels.

In early 1941 Wartime Merchant Shipbuilding Ltd., a wholly government-owned subsidiary, was formed to handle this type of business. This company assumed supervision of the British contracts and let on Canadian Government account a contract for 67 10,000 tonners early in 1941, another hundred in the autumn of 1941, plus 18 5,000-ton cargo vessels. Contracts so far let for 10,000-ton vessels call for delivery of 300 of this type of ship.

Expanding Yards

Expansion of existing and potential shipyards was the first move necessary in making ready for the great programme that the industry had undertaken. When the first contracts were let there were two berths on the Pacific coast capable of building 10,000-ton vessels. This number has been increased to 22 berths of which two have been turned over to the navy. On the Atlantic coast the six berths capable of building merchant ships have been increased to 32, of which nine have been turned over to the navy for naval shipbuilding.

One of the most notable achievements of the whole programme is the low capital investment represented by the Canadian yards. Practice in this country differed from that in the United States. Here the plan was based on getting into production quickly and with the least delay for the construction or importation of the heavy equipment which marks the American yards.

Low Investment

This resulted in getting action more quickly and in a low capital investment. In the privately owned and operated shipyards of Canada, which include all but two, the average capital investment by the government has been less than $50,000 a berth. In the United States the corresponding investment has been almost $2 millions a berth.

Labor supply presented another immediate problem. The dearth of shipbuilding activity during the peace years had drained away shipyard personnel until they could almost be numbered in dozens. Shipyards now employ some 50,000 workers.

That performance has been made possible first because of the existence of a nucleus of skilled workers. These experienced shipbuilders took raw recruits and quickly taught them some of the tricks of the trade. Schools have been set up for shipyard workers under the War Emergency Training Plan. Special courses running from six to 12 weeks teach the workers how ships are put together right from the keel up. These pupils are all on the payroll and give a set number of hours of working time for study in the class room.

Canadian-made

It soon became apparent that Canada could no longer depend heavily on the United States and the United Kingdom for supply of material for its ships. In World War 1 Canadian-built ships contained something like 35% Canadian material; this time their all-Canadian content is over 90% of the total. Around 400 subcontractors across the Dominion have been enlisted in the programme; component parts from factories thousands of miles away from tidewater are flowing to the coastal yards for assembly into ocean-going vessels. Propellers are being built at Owen Sound, engines at Montreal, heavy forgings plants at Trenton and Welland have been expanded to meet demands.

This has brought new skills, whole new trades to Canada. Ship instruments always used to be imported; now they are made here. Manufacture of such things as valves has been undertaken on an unprecedented scale.

New Methods

While shipbuilding is an old art there are still some new angles to be learned. One of the most recently prominent of these is prefabrication. Steel plants in different Canadian centres prefabricate steel for the coastal yards where they are quickly riveted into place.

Experience has taught the shipbuilders how to save materials and cut cost of construction. One instance is the combustion chamber for the Scotch marine boilers in the 10,000-ton vessels. These were formerly made of riveted boiler plate, now welding is used to bring an annual saving of 100,000 lbs. of boiler plate and $20,000. On naval vessels the valve wheels used to be made of admiralty gun metal containing copper, zinc, tin, lead and nickel. These have been changed to malleable iron saving 288,000 lbs. of scarce material and $24,000 annually. Plate thicknesses have been reduced to about 25% of their original number and other steels have been standardized in size and shape.

All imported woods have been removed from the 10,000-ton ships. Out of each ship constructed there has been taken seven tons of copper and brass, 1½ tons of tin and 3½ tons of manila.

Fighting Ships

Construction of fighting ships has constituted a brand new challenge to the Canadian industry. The sterling performance of Canadian-built corvettes in action has afforded plenty of proof how well that challenge has been met. Ability of the Royal Canadian Navy to expand from its prewar strength of some dozen ships to its present total of around 500 has been largely based on the ability of Canadian shipbuilders to supply those vessels. Output of naval ships in 1942 was 30% greater than in 1941.

One corvette or minesweeper is produced in Canada every three days. How great that production is can be better realized when it is noted that construction of one corvette calls for ten miles of piping and tubing, 14 tons of anchor chain, 38 tons of copper wire, 1,500 bronze valves weighing from less than half a pound to over 700 pounds. The hull of one minesweeper uses 300 tons of steel shapes and plates and 25 tons of rivets. In addition there are 1,100 valves, 2½ miles of piping, 32 miles of electric wiring, 26 tons of copper and six tons of anchor chain. Labor required to build a minesweeper is 350,000 manhours. Canada has already constructed corvettes for the United States Navy.

Heaviest fighting ship under construction in Canadian yards is the Tribal class destroyer, with building of two of these now well under way on the Atlantic coast. This class of destroyer costs around $2 millions, is of 1,870 tons and carries a crew of 190. Armament consists of eight 4.7 guns, several smaller guns and four torpedo tubes.

On top of all this is the $13 millions programme of small boats which includes everything from rowboats and scows to Fairmiles and motor torpedo boats. This programme is largely in the hands of many small boatyards on the coasts, up along the St. Lawrence and the Great Lakes.

Postwar Outlook

There has been some discussion over what place the Canadian shipbuilding industry will occupy in the postwar days. There are many experts who will argue that under peacetime competitive conditions there is no room for the hastily constructed, 10 or 11 knot "Liberty Ship" which is the 10,000 tonner under construction here. Regardless of the possible postwar value of this particular ship, however, there are many others who claim that Canada's wartime shipbuilding programme will have a considerable residual value. As an export nation Canada has a high stake in overseas trade. In addition, it is pointed out, the wartime shipbuilding revival has brought much new equipment to Canada which will be used in the conduct and supply of our primary industries when peace returns while many people have been taught the art of shipbuilding so that after the war they will strive to retain their means of livelihood.

As Canada finishes 1942 it has an industry capable of turning out large quantities of much-needed shipping and in the same industry a possible source for employing an important number of workers in the postwar days.

Airmen Study Model Planes

Imagine a leading aircraftsman sitting in a classroom and watching Spitfires, Hurricanes, Junkers Dive Bombers, Messerschmidts and other fighter and bomber planes flit around the classroom. Imagine him calling out the identity of each plane as it passed him.

It sounds silly, but it happens all over Canada. The planes the student sees are models, and not the real thing. But they are so carefully constructed, so accurate in silhouette and shape, that they are exact duplicates of the deadly originals. They are serving a vital purpose in training air crews to recognize friendly or enemy aircraft.

Canadian boys of school age make these models, using plans supplied by the Department of Defense for Air.

MODERN OIL STORAGE TANKS

Present day petroleum products must be stored in special tanks to prevent excessive evaporation losses.

HORTONSPHERES are built in capacities of 1,000 to 20,000 bbls. to store butane and other similar products under 20 to 100 lbs. per sq. in. pressure.

HORTONSPHEROIDS of 2,500 to 120,000 bbls. capacity are used to store motor fuel, aviation gasoline and natural gasoline at pressures of 2½ to 35 lbs.

WIGGINS PONTOON ROOFS are used to prevent evaporation loss from flat-bottom working tanks handling products that do not boil at atmospheric temperatures.

WIGGINS BREATHER ROOFS are recommended for standing storage tanks kept full or nearly full most of the time.

12,000-bbl. Hortonsphere used to store butane under 50 lbs. pressure at a Canadian refinery.

WIGGINS BALLOON ROOFS are used on tanks that are filled and emptied only a few times a year.

WIGGINS BALLOON SYSTEMS consist of a central gas holder connected to the vapor spaces of several cone roof tanks.

We also build tanks with cone roofs, elevated water tanks and steel plate work.

HORTON STEEL WORKS LIMITED
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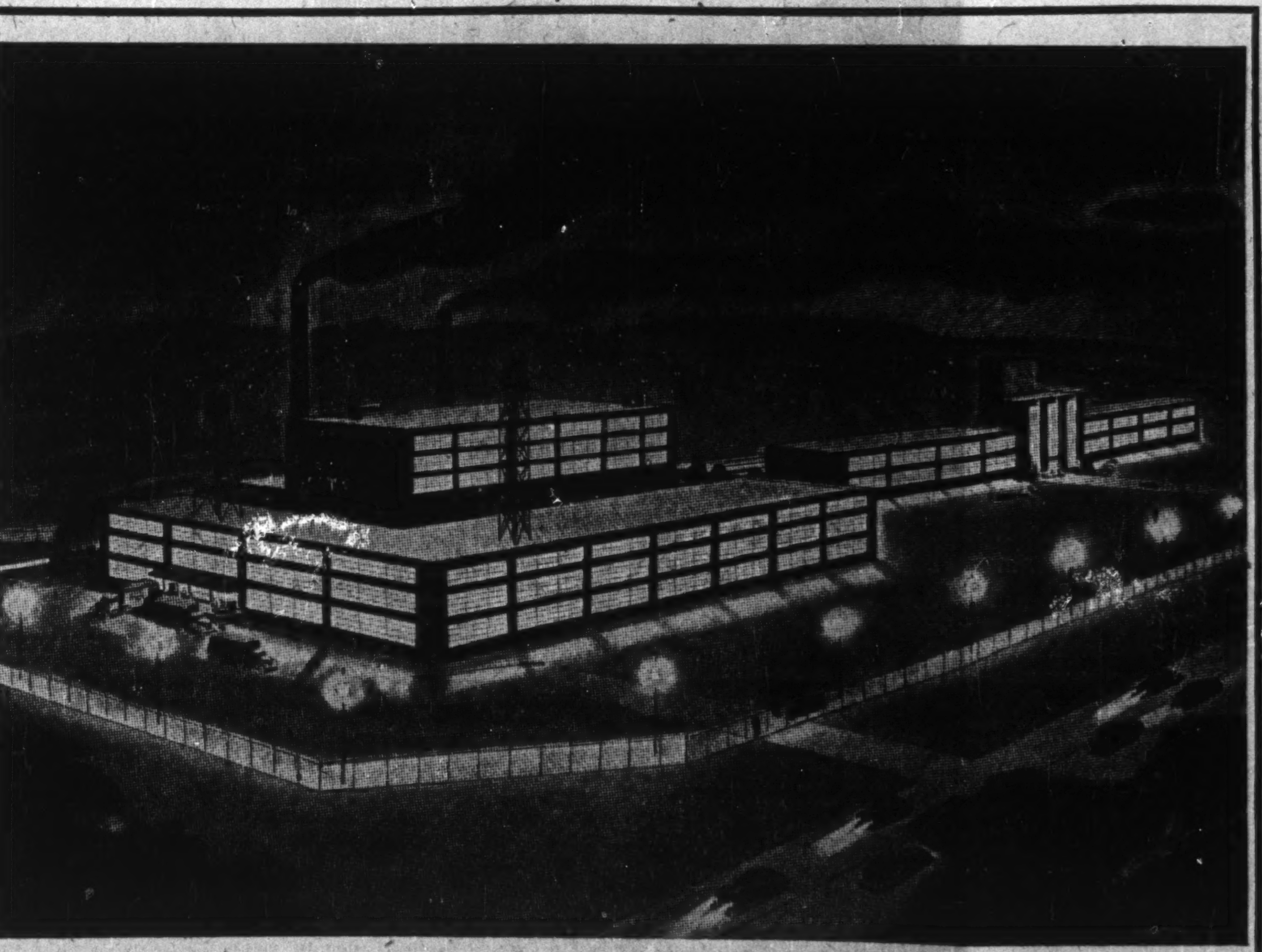

The Victory Lights are Burning

Through the darkness shine the lights of our home-front army — the industrial corps who continue to forge the weapons of victory after sundown.

To these men and women on the night shift, light has become a true partner in production. And for them, at hundreds of war plants, our Westinghouse engineers are providing vast illumination systems — indoors and out. It's the kind of lighting that industry depends upon to sustain fast, quality production 'round the clock. Such war jobs for lighting, we, at Westinghouse, call *engineered seeing*.

Engineered seeing is illumination created by scientifically designed lighting equipment, expertly applied to achieve the best possible visibility conditions. And to provide its full benefits today, we are producing complete lines of lamps and lighting units—fluorescent and incandescent for specific industrial operations, lighting equipment for airfields and camps, and special luminaires for night-time outdoor production or protection against sabotage.

For practically every phase of Canada's victory effort, *engineered seeing* is available from the Westinghouse District Sales Offices listed below.

CANADIAN WESTINGHOUSE COMPANY LIMITED
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Sales Engineering Offices:
VANCOUVER, TRAIL, CALGARY, EDMONTON, REGINA, SASKATOON
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A Year of Progress — Base Metals

New Metals For Mars

Strategic Minerals Join Swelling Output Of Nickel, Copper, Lead and Zinc

Substantial progress in the face of handicaps that would have upset a business basically less well organized — that in brief is the 1942 achievement of Canada's base and strategic mineral industry.

Turning out over 1.1 million tons of refined non-ferrous metals, this country's concentrators, smelters and refineries beat their pre-war record by well over 200,000 tons of metal in 1942. High-grade ores were sacrificed for increased output and only the shortage of labor prevented an even greater output than that actually recorded.

But not all efforts were concentrated on maximizing current production. Enough manpower, equipment and material was spared to prepare for an even more intensive effort next year. Assisted by Dominion tax credits and special depreciation allowances, perhaps $50 millions of plant expansion was undertaken by the non-ferrous metal mining companies.

Metal Millions

Further millions were poured out by the Dominion and U. S. governments to boost production of strategic minerals and exploitation of marginal deposits which held chances of giving added production in the not distant future. Over 40 projects have now received financial assistance in some form or other from either Canadian or U. S. government agencies.

One of the most dramatic stories of the war is the way production of scarce strategic minerals has leaped ahead in Canada.

In one short year, Canada has been able to start producing one fifth of the tungsten needed by her industries. With production facilities financed by the Dominion government through Wartime Metals Corp., magnesium has been placed in production with output approaching 10 tons daily. All domestic requirements of this metal are being met with a balance over for export. Molybdenum production has been recommenced.

Bigger Things

But great as the production effort on "strategics" has been, something even bigger looms for the future. In the newly-discovered Emerald tungsten mine in British Columbia, Canada has North America's greatest known deposit of this metal—a deposit which will make Canada self-sufficient in this metal. And Dome's Preissac molybdenum property — the greatest known deposit of molybdenum in North America outside of the Climax—will mean a big boost in molybdenum. Consolidated Smelters has started turning out tin.

The Belanger chrome property in Quebec is being equipped for production with a 600-ton mill by the Dominion government and the Bird River chromite discoveries in Manitoba will give the raw material for a further increase in production. White mica from Eau Claire is now filling a pressing need in the electrical industry.

Danger Less

As Canada's output of strategic minerals has grown and as metallurgists have worked on the problem of substitute materials, the danger that a shortage of certain scarce minerals might be an Achilles' heel for our war effort has been dissipated to a considerable degree.

Details on production of non-ferrous metals are not being released but it is reported aluminum and nickel and zinc all showed increases in the quantity produced in 1942. At the end of the year, aluminum was being turned out at a rate of close to a billion pounds a year against about 165 million pounds a year before the war. Substantial efforts were made in the Sudbury area to increase nickel production in 1942 and at the end of the year a large part of the expansion in productive facilities had been completed.

Expansion has been accomplished by both International Nickel Co. and Falconbridge Nickel. Metals Controller George C. Bateman recently expressed the opinion that growth has now been carried as far as can be reasonably expected without endangering the future of the great mines concerned — the source of 95% of the world's nickel.

Deals on Zinc

Efforts to increase zinc production were continued by Consolidated Mining & Smelting Co. and Hudson Bay Mining & Smelting Co. during 1942. Several special deals were made by U. S. metal authorities to secure greater zinc production. Sherritt Gordon Mines was added to the list of zinc producers, turning the metal out as a by-product, while Golden Manitou commenced operation in the Siscoe-Lamaque area, marketing its substantial zinc output with the Metals Reserve Co.

Copper production was somewhat affected during the year by labor shortages at two big British Columbia producers — Britannia and Granby. About two months ago, arrangements were made for government operation of the properties and since then extra labor has been made available.

Typical of the vast system of contributing plants which have made Canada's gun production possible is this machine shop in the John Labatt Ltd. brewery in London. Operating for some time as a trade school for the army, the machine shop is now turning out gun parts as well.

Metals For Postwar

Most of Canada's expansion has been of a wartime emergency character but new metals are being turned out which we may well continue producing after the war. Mercury from the Pinchi Lake mine of Consolidated Mining & Smelting Co. was originally a wartime measure but the mine has proved so productive that continuation on a commercial basis appears almost certain after the war.

Tungsten and molybdenum production is being sponsored by the Dominion government through payment of substantially increased prices, but an industry may be built up which can carry through into peacetime. The Emerald tungsten property and the tungsten showing of Dome Mines in the Albany River area appear to have the best prospects for continued operation. Although a score or more of gold mines are producing tungsten as a by-product, few gold men anticipate that this production will ever be commercial.

Dome's Preissac property has a good chance of continuing production of molybdenum even at lower postwar prices due to the large tonnages of ore found.

Magnesium Costs

Costs on a routine operating basis are yet to be fully determined by Dominion Magnesium Co., but officials are hopeful that the metal can be turned out in peacetime at a price which will meet competitive requirements. Research work is being carried on continuously to bring further refinements to the process of Dr. Lloyd Pidgeon; every refinement made is likely to mean some reduction in cost.

Relatively Better

While inroads have been made into our resources of higher grade ores, the base metal mining industry generally continues in a much stronger physical position than that of the United States, it is believed. Recently it has been reported that at the present rate of production, the United States would exhaust its zinc ore reserves in four years and its copper ore reserves in ten years.

No corresponding situation has developed in Canada. Certain individual mines such as Noranda and Sherritt Gordon, have undoubtedly experienced declining ore reserves since outbreak of war but International Nickel Co., Hudson Bay Mining & Smelting Co., and Consolidated Smelters are believed to have maintained their ore reserve positions relatively well, although no official data are available.

Finances Strong

While base metal producers have been expending millions on expansion at the request of the Dominion government, other factors have been at work to keep their financial positions strong for the possible testing period that the end of the war may bring. Special depreciation allowances are bringing back money spent on expansion. As expanded plants may be of little or no use after the war, if the demand for metals should decrease, base metal officials feel that they are entitled to this return of money.

In the United Kingdom and the United States, there has been a strong feeling that the excess profits tax should not apply to base metal producers. Under existing legislation, only the new base and strategic mineral producers are exempt from excess profits tax. It is being pointed out that base metal deposits are wasting assets and if the rate of ore exhaustion is speeded up by higher milling rates, a good reason exists for allowing a higher profit rate.

In Canada where mineral resources are relatively great, this question hasn't been brought up for serious consideration although new mineral producers have been granted a three-year exemption from the tax.

Labor Key Factor

What Canada's base metal mines turn out in 1943 will undoubtedly be conditioned by the supply of labor. An improvement in the labor situation has taken place at Sudbury and the B. C. copper mines in recent weeks and chances for a substantial step-up in production appear better.

Undoubtedly strategic mineral production will forge ahead in 1943. This country reached the production stage for strategic minerals in 1942; much more substantial results are on the cards for 1943.

See Glider Forces Playing Big Part

United States Army glider forces capable of leading swift and devastating attacks behind enemy lines are undergoing unprecedented expansion. Missions of these mobile striking units will include thrusts to points where their destructive power will inflict maximum damage on the enemy. Their offensive operations will play a vital part both in sporadic raids and direct participation in all-out attacks.

Glider pilots already are receiving preliminary training for the dangerous and heroic job that lies ahead of them. Primary and advanced glider schools are functioning throughout the United States.

Since much of the transport in combat areas will be by large gliders and glider trains, emphasis now is being placed on the enlistment and training of glider pilots. This extensive programme has opened the way for many men from 18 to 35 years old, inclusive, to win their glider pilot wings and get into the forefront of the attack that is certain to come and lead to victory.

Playing tag with the clouds and taking free rides on the wind currents has been recognized for years as one of the most fascinating and sporting adventures. It has elemental appeal. The future of the glider in civilian transport after the peace also is assured.

Danger Not Minimized

The Air Forces, however, are not underscoring the glamor or the possible economic advantages in the future for glider pilots. The dangers of the actual missions that are on the programme for the glider pilot are not being minimized, but the importance of the glider operator in the fight for freedom is being stressed. All military flying has its elements of danger. For the same reason, all military flying has its elements of heroism. Glider piloting properly takes its niche in both categories.

Some misinformation, in which glider piloting in the air-borne attack plan has been pictured as a suicidal operation, has gained circulation. This conception is not accurate.

Gliders have been picked up from the ground by Army Air Forces airplanes while in full flight. Protection by fighter and bombardment airplanes also will be provided the glider units during transit in theatres of operation and after they land. Also, some Air Commando operations will be co-ordinated with Naval units, making possible withdrawal after specific missions have been completed.

Speedy Recognition and High Pay

Besides, according to the glider pilot, an opportunity to serve his country in the all-important position of Air Commando, the programme now functioning assures him quick promotion, extra flight pay, and basic instruction in flying small airplanes as well as gliders.

A selected number of the glider pilots will be commissioned as second lieutenants in the Army of the United States after completing a six-week course. Those commissioned as second lieutenants will receive base and flight pay totalling $225 a month, plus allowances.

Others completing the course will become staff sergeants. Their pay, including flight pay, totals $144 a month, plus food, clothing and room.

Applicants, except Air Forces commissioned and non-commissioned officers transferring for glider instruction, are being enlisted in the Air Forces as privates. They receive flying pay, bringing their pay during training to $75 a month. Their rating is that of aviation students and $10,000 insurance on each of them is carried by the government during the training period.

First and second lieutenants and non-commissioned officers of the Air Forces are eligible for glider training without loss of rank. They will receive flying pay.

Both glider pilot, commissioned officers and sergeants will wear distinctive glider pilot wings.

The minimum aerial requirements for a class "A" applicant follow:

(1) Possession of a currently effective Civil Aeronautics Administration Airman's certificate, private grade, or higher, or

(2) Possession of a lapsed Civil Aeronautics Administration Airman's certificate, private grade, or higher, provided that such certificate did not lapse prior to January 1, 1941, or

(3) Completion of 200 or more glider flights, attested by a certified statement of the applicant, or

(4) Completion, as a former aviation cadet or aviation student, of at least 50 hours of total flying time, either dual or solo, at any Army, Navy or other service flying school.

Presentation of a certificate or signed statement from a local Civil Aeronautics Administration official that an applicant has had sufficient flying experience to qualify him for glider pilot training may be accepted as a substitute for the requirements (3) and (4) above.

An applicant must be a male citizen of the United States between the ages of 18 and 35 inclusive.

He must pass a physical examination for flying duty. Visual acuity may be 20/40 without glasses, correctible to 20/20.

The applicants must have passed, or be able to pass, either the Army General Classification test, with a score of 110 or better, or the Aviation Cadet Qualifying Examination (AC 10-A) with a minimum score of 75; or the Aviation Cadet Qualifying Examination (AC 10-B) with a minimum score of 65.

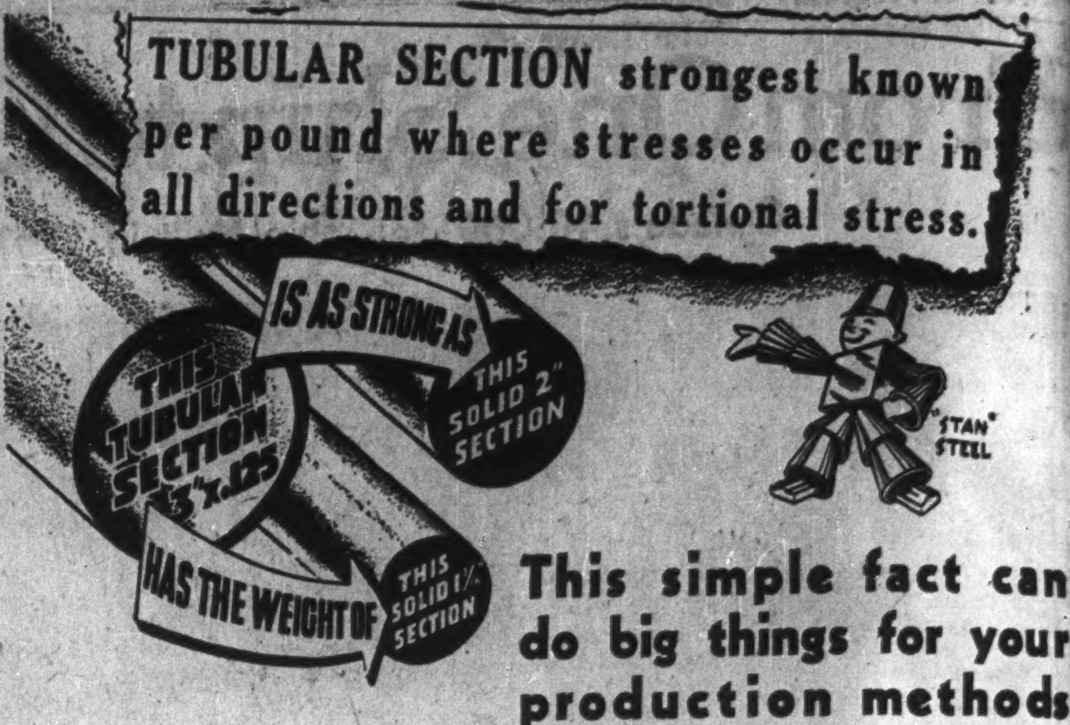
Men who have made a minimum score, or better, in either of the aviation cadet qualifying examinations may apply to the aviation cadet examining board which administered the test for a certificate to that effect signed by a member of the board.

Boiling Down Army Orders

The U. S. War Department is saving paper.

It has condensed 1,500 pages of regulations into a volume of 100 pages.

Despite the boiling down process, it is claimed that all the essential details have been retained. It is also said that the regulations are easier to understand in their present form—that the revision has not only saved paper but a good deal of time.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IS AS STRONG AS
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"STAN" STEEL

This simple fact can do big things for your production methods

A 3 inch diameter tube has the strength of a 2 inch solid bar, yet with only 60 percent of its weight! More and more practical men are now realizing the possibilities of saving in weight and cost that lie in greater use of steel tube. Are you?

This awakening "tube-consciousness" on the part of industry in Canada is showing surprising results. Lighter yet stronger equipment for doing jobs is cutting down labour. Manufacturers are re-designing for smoother, better products, with greater usefulness to the buyer. These advantages show up inevitably in the final reckoning in the shape of much needed raw materials.

For advice on the best application of Steel Tubing to your war product or process, write us now.

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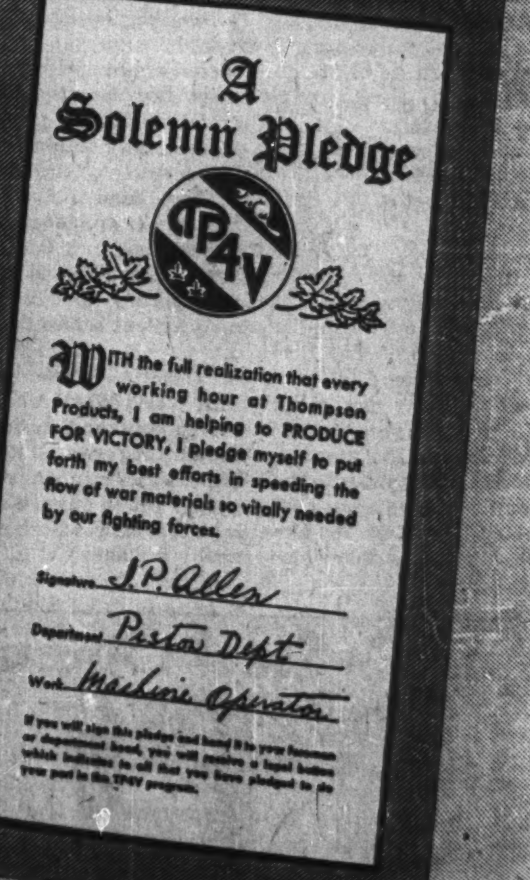


A Solemn Pledge

TP4V

WITH the full realization that every working hour at Thompson Products, I am helping to PRODUCE FOR VICTORY, I pledge myself to put forth my best efforts in speeding the flow of war materials so vitally needed by our fighting forces.

Signature J. P. Allen

Department Piston Dept.

Work Machine Operator

If you will sign this pledge and hand it to your foreman or department head, you will receive a lapel button which indicates to all that you have pledged to do your part in the TP4V program.

LAST July when "*Thompsonites*" were asked to pledge themselves to speed the flow of war materials so vitally needed by our fighting forces, they did so with enthusiasm. Without exception they answered, "count us in!"

"Top Production for Victory" started with a slogan. It has now become a creed, believed in and acted upon by "*Thompsonites.*" It represents the first co-ordinated war production drive in Canada . . . one which has inspired other war industries to launch similar activities.

What of results? All previous Thompson production records smashed to smithereens. "Stay-aways" have almost become a memory. You'll see grim determination at Thompson, eyes gleaming with the intelligence of people who *know* what they're doing . . . and *why!* And along the production lines and amid the roaring forges, there is an all-pervading atmosphere of concentrated endeavour coupled with the sense that everyone is "pulling together."

We're mighty proud of our men and women at Thompson, proud that they are on the forefront of the production front . . . fighting at their lathes, grinders and other machines to deliver precision parts for almost every kind of fighting equipment . . . and *deliver them in a hurry.*

THOMPSON PRODUCTS LTD. • ST. CATHARINES, ONTARIO

Thompson Products

A Year of Progress — Motor Transport

Transport For Our Fighters

The efficiency with which Canada's automobile factories have been converted to war work is underlined by the fact that this year about 20% of the total value of our war production is represented by mechanical transport, for which the Empire's armies are largely dependent on this country.

Deliveries of such equipment, measured in dollars, have been twice as great as ship deliveries, four times as great as deliveries of chemicals and explosives, nearly twice as great as deliveries of aircraft—this in spite of the fact that automobile plants employ only 35,000 workers compared with 40,000 in the shipyards, 50,000 in chemical and explosives plants, 55,000 in aircraft plants.

Canada's auto factories have so far turned out more than 500,000 military vehicles. This year alone they produced 215,000. A comparison of the number of units being made now with the number of civilian units before the war doesn't begin to tell the story, since a military unit takes far more labor and material.

90% to Our Allies

Less than 10% of the units produced have been allotted to Canadian forces at home or abroad. The balance has gone to every theatre of war, and above all to the Middle East, to Libya and Egypt. Perhaps 150,000 vehicles, from scout cars to heavy-duty troop and supply transports, were landed in Egypt before the start of the offensive which cracked Rommel's army.

The desert is testing ground enough for any vehicle. Sand, heat, extremes of temperature, difficulty of servicing, take a terrific toll of mechanized equipment. Under such conditions has Canadian-made equipment proven itself. It has been changed and revised on the basis of experience, weak points which showed up have been overcome. Worst enemy has been the sand, which may grind bearings, ruin engines by getting in the oil, and complicates the job of protecting vital wearing parts.

Collaboration Starts Early

Long before the war, engineers of the Canadian automotive industry collaborated with army engineers, to design vehicles for military purposes. Ford of Canada, and General Motors of Canada spent millions of dollars on this. When war began the industry was ready to swing into production of the specialized vehicles. Today this industry turns out many different types of military vehicles. In 1942 it added a dozen to the list. These were as follows:

New Types Added in 1942

SCOUT CAR
AMORED VEHICLES
RECONNAISSANCE CAR
ARMORED CAR
ARMORED 4-WHEEL DRIVE
GUN PORTEES
OFFICE AND WIRELESS VEHICLES
6 x 6 WORKSHOP
DENTAL VEHICLE
LIGHT AMBULANCE
VARIOUS WORKSHOPS

Added to the formidable list of military vehicles being made a year ago, this gives a total of 116 different types. The complete list, as outlined from the Department of Munitions and Supply, follows:

Canada Is Now Producing

UNIVERSAL CARRIERS
WIRELESS TRUCKS, THREE TYPES
AMBULANCES, FOUR TYPES
FIELD WORKSHOPS, 12 TYPES
FIRE TRUCKS, THREE TYPES
ARMY MECHANIZED TRANSPORT, 90 TYPES ON 12 DIFFERENT CHASSIS
RECONNAISSANCE CARS
SCOUT CARS
ARMORED CARS

Canada's Auto Factories Produce For All Fronts

The famous universal gun carrier, in which the Ford Motor Co. of Canada has specialized, is almost a baby tank. It travels at 45 miles an hour on caterpillar tracks, can cover almost any terrain and is equipped to carry machine guns, sometimes heavier guns, and military personnel. One Canadian plant turns out enough of these carriers each day to equip a battalion and in 14 days can equip an infantry division. A portion of the carrier production is sent to Russia.

Most notable development in the past year has been the growing emphasis on combat cars of various kinds in place of the load carrying types which were the first specialty of the Canadian automotive industry.

Major aim of the plants in Canada in turning out vehicles for military use has been to standardize and to use, as far as possible, ordinary commercial practice. They have to put in special strength, and one performance yardstick requires that a military truck be three times as tough as a commercial truck. Most army vehicles are four-wheel drives, meaning that all four wheels may be geared to the engine.

Standardization has been carried to an amazing degree, with a great number of parts being interchangeable.

Save Costs, Materials

In recent months the pressure has been on to reduce costs and to improve manufacturing technique. Forced by a shortage of materials and labor to make the most of what is available, the companies have been leaders in the drive for more efficient production. Their accomplishments have saved taxpayers many millions of dollars, permitting, at the same time, the production of many thousands more trucks and gun carriers than would have been possible previously from the same materials and without a greater working force.

The panel at the upper right gives some indication of the fruits of this economy programme, which will be carried even further in the coming year.

Saving Materials, Hours, Dollars

One company, turning out about $175 millions of war materials annually, is able to report that through improved methods and designs, it has made the following savings:

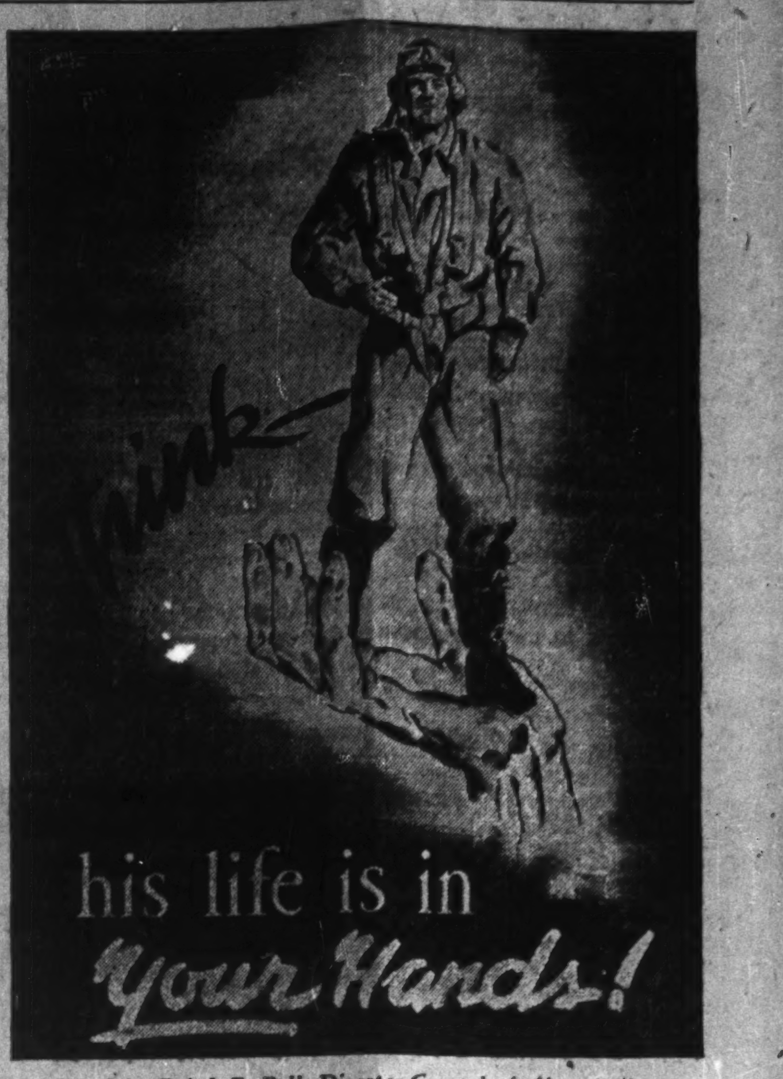
	TONS
STOCK STEEL	1,400
RUBBER	275
SPRING STEEL	13
BRONZE	104
STEEL PLATES	4,850
STEEL FORGINGS	1,400
NICKEL STEEL BARS	189
STEEL CASTINGS	143
MALLEABLE STEEL	7
BRASS PLATES	5
SHEET STEEL	4
MAN HOURS	OVER 1 MILLION
MACHINE TOOL HOURS	1,018,000
FURNACE HOURS	330,000
TOTAL SAVING IN DOLLARS	$3.3 MILLIONS

That is an example of what one plant has done. Others have similar accomplishments.

Somewhat over a year ago, the Department of Munitions and Supply estimated that the cost of a universal carrier was about $5,000. Now it is $3,000, a saving of $2,000 which applies to hundreds of vehicles and explains how one company can save millions of dollars through better use of materials, better use of labor, and some re-designing of equipment. Typical figures for military automotive equipment, for complete units ready for use, are:

Automotive Equipment Costs

Reconnaissance car	$6,000
Armored car	12,000
Scout car	4,000
Field artillery tractor	3,000
Field ambulance	3,500
Workshop lorry	7,500
Wireless truck	2,500
Universal carrier	3,000
Refuelling tender	4,000
Dental lorry	4,000
Crash tender	6,500
Motor boat trailer	4,000
Compressor trailer	7,500
Snowmobile	5,000
Snow fighter	25,000



Rated by Ralph P. Bell, Director-General of Aircraft Production as one of the strongest posters in the morale programme for aircraft workers, the above striking poster has been donated by the chartered banks of Canada. It was created by Sergeant Donald Anderson of the R.C.A.F.

How Weather Reports Help Speed Victory

The weather men never got much public attention in peacetime. Now that there's a war on, they've slid even deeper into the background, because their job has become a highly secret one.

Weather is an international thing. Almost everything that happens in Canada, so far as the weather is concerned, has a direct bearing upon what is going to happen in Germany, or Italy, or Great Britain a few days hence.

You won't find very much these days about high and low pressure areas and other things which were a bit mysterious to the layman anyway. Our weather stories and predictions have been trimmed bare of anything that might give the enemy a tip-off on what's happening in Canada.

So, our weathermen work away as anonymous heroes of this war. They don't face the shot and the shell, but they supply information that is sometimes more valuable to us than a whole squadron of airplanes or many batteries of guns.

Many military, naval and air operations have been ruined by lack of proper weather information. During the last war, Germany lost all but one or two of a fleet of Zeppelins simply because they ran into foul weather where it had been expected they would encounter good weather. Since then, of course, the science of predicting weather has improved considerably.

One of Germany's worst handicaps in this war is the fact that the meteorologists of that country are now cut off from most of the Arctic and sub-arctic regions. Generally speaking, the weather moves from west to east and from the poles toward the equator. Naturally, weather observations made in the north are tremendously important in working out a prediction for Europe. The Germans are cut off from the entire rim of the Arctic with the exception of the coasts of Scandinavia. They tried hard to establish an observation station on the coast of Iceland, but the expedition was captured by a United States patrol.

Canada has roughly 130 weather stations spread from coast to coast and northward from the United States border to the far arctic. Every Royal Canadian Mounted Police post in the north keeps a record of the weather. The Hudson's Bay Company posts also serve as observation stations.

From these various observation posts readings are constantly being sent in to the Meteorological headquarters in Toronto. From this multitude of reports—some of them made hourly—weather maps are drawn up. An indication of the international character of this work is the fact that this information is constantly swapped back and forth across the border by Canada and the United States. Weather observations made in Canada are immediately teletyped to the United States weather bureau.

Reports coming into Canadian meteorological headquarters from the far north are made by wireless and they are in code. It seems hard to imagine, but weather observations made at lonely stations on the coast of Labrador, at Aklavik, in the Hudson Straits or Ellesmere Island play an important part in the weather maps which are studied in the bomber stations of Great Britain.

A Year of Progress — Guns

Guns For Victory

Larger Output Achieved at Lower Cost in 1942

Probably no phase of Canada's war effort has shown greater acceleration in 1942 than gun production. This is emphasized by the fact that output of army and navy guns in September was 3,118 compared with 2,411 for all 1941. Gun Carriages made in September numbered 733 against 1,171 for all 1941.

In an official estimate recently H. J. Carmichael, director-general of gun production for Canada, placed the overall dollar value of guns and small arms this year at $227 millions compared with $21 millions in 1941. As operating efficiency has shown marked improvement during the year, with corresponding reductions in costs, the actual output has shown a much greater increase than the dollar figures indicate.

12 Types Guns

Types of guns being produced include anti-aircraft and anti-tank guns, naval and field pieces, 12 types in all. With them are being produced 16 types of carriages and mountings.

Gun production covers a range from two pound anti-tank guns to 4.5 inch anti-aircraft gun barrels. So substatial is production of the various arms that Canadian factories are not only meeting our own needs but are sending guns to our allies, especially Great Britain and the United States.

Before the war gun-making was virtually an unknown art in Canada, but Canadian guns are now to be found in every theatre of war.

Conservation Programme

This has only been achieved by overcoming many obstacles. Need for conserving labor and materials has resulted in many substitutes and labor-saving devices being adopted. Mass production has to a large extent superseded the former peacetime methods. Parts formerly made by cutting machines are now cast, with an enormous saving of time and materials. Shortage of certain metals such as tin and copper have led to the use of substitutes which have proved to be just as efficient. In one anti-aircraft gun the number of special steels used has been cut from 100 to 23.

Chief problems have been the supply of materials, machine tools and labor.

Materials

Iron and steel supplies have been an important consideration. At the beginning of the war, Canada's production of the kinds of high grade steel used in making guns and armaments and high grade cutting tools was about 15,000 tons a year. Present requirements exceed 400,000 tons. A report on gun production, presented to the House of Commons during the year, stated this was met by the following measures:

Output of Atlas Steels of Welland, Ont., formerly the only producers of the metal in Canada, was increased from 15,000 tons yearly to over 200,000 tons. Dominion Foundries & Steel Co., Hamilton, output was expanded to 100,000 tons a year. At Sorel a new plant was installed to turn out 50,000 tons a year.

The malleable iron castings group was set up and expanded.

The same procedure was followed in the drop forging industry. All companies having hammers that had never entered the commercial field were listed and booked to capacity before new facilities were set up.

Occasional bottlenecks have developed in cold rolled steel forgings and special alloys.

By substituting malleable castings for steel in one gun plant an annual saving of 500,000 lbs. of steel, 115,000 manhours, six machine tools and $500,000 has been effected on the manufacture of one part. Malleable cast iron is being substituted for bronze in making certain gun mounts and cradles. Supplies of other metals such as tin, copper, nickel and special alloys have been scarce. In certain cases where gun manufacture got ahead of schedule the manufacturers were told to ease up because by continuing on full scale they might be taking away needed materials from other plants.

Machine Tools

Machine tools were another problem. Previous to the war, Canada's machine tools practically all came from the United States. For the 18 months to July, 1942, Canadian purchases averaged about $5 millions a month. Entry of the United States into the war and the greatly increased American domestic demand for tools aggravated the situation. To overcome the difficulty, our industry has had to use a larger number of Canadian machine tools so as to make the Canadian programme more self sustaining. Good progress has been made. Under the stress of the times Canada, in May, 1942, produced 500 out of 970 machine tools required. Canadian contractors have shown much ingenuity in meeting the situation. The American Government in fact has sent in its own technicians to Canadian plants to study the methods adopted.

One method has been the revamping of old machine tools. As a result machine tools costing $30,000 to $40,000 each have been replaced by mass production tools at a cost 25% to 30% lower. These machines have been standardized.

Labor

At the beginning an adequate supply of labor was a problem. Gun making was not only a new art in Canada but an involved one. For instance in the 25-pounder gun there are more than 2,500 parts, in the Bofors Anti-Aircraft gun more than 1,800 parts. One course adopted was the institution of training classes in schools and classes in industrial plants. These workers though not skilled in the strict sense have been brought to the point where they can operate one machine efficiently.

Manufacture of guns and mounting has been distributed widely right across the Dominion and manufacture of mountings is even more widely dispersed.

Reductions in Costs

While costs of production of the various arms have shown substantial reduction during the year, up-to-date figures are not available, and in most cases, where published, they are in man-hours rather than dollars. Achievements in cost reduction on this basis were given in the House of Commons last July by a sub-committee of the special committee on war expenditures on gun production. These were as follows:

	Man-hours
2-Pounder Anti-Tank	
1st gun	1,219
200th gun	872
1,500th gun	372
Current	350
6-Pounder Anti-Tank	
30th gun	930
200th gun	530
800th gun	400
Current	375
40mm. Bofors Barrels	
Oct., 1940	186
Mar., 1941	77
Nov., 1941	57.3
June, 1942	45

The sub-committee gave dollar figures on other weapons.

On the two-inch bomb thrower, the cost struck on completion of the first 1,000 units was $155.45 against an original estimate on a small quantity and lower production rate of $255 each, "with further reductions expected."

On the 25-pounder, the cost of producing gun and carriage was set at $14,263 in April this year. This cost, the committee estimated in July, was being reduced by $200 a month.

Tradition Dies Hard In the King's Navy

The Navy's anchors are fouled and have been fouled for the last 340 years. There isn't a brass button on a naval uniform that hasn't the cable turned round the anchor. Why, no one can exactly say. It's just one of those things that, like Topsy, "just grew up."

The emblem on the brass button is the badge of the "Lord High Admiral." All that is known of it is that it was adopted by Lord Howard of Effingham, victor over the Spanish Armada, as his official seal in 1604. Why Lord Howard should have adopted such a seal so contradictory of the high reputation for seamanship in the Navy is something the student of naval history has been unable to discover. Why it should be retained through these past centuries is not known either. It is emblematic of plain bad seamanship.

Here is another example of how far the Navy sticks to customs, practices and traditions.

A sailor or rating of the Navy does not tar his trousers nowadays to keep them waterproof and has not done so for ages. The name has long since lost its meaning, but even the landlubber still refers affectionately to the rating as the "tar."

There are some traditions, customs and practices of which the origin is known and which there is much practical wisdom in retaining.

Take the launching of a ship. The custom of launching with a bottle secured by a lanyard to the bows was introduced following an unfortunate affair which resulted in a lawsuit instituted by an injured spectator at a launching ceremony carried out under the old custom of breaking a bottle of wine over the ship's bows. Up to the year 1811, the ceremony had been performed by either a royal personage or a dockyard commissioner but in that year the custom of ladies performing it was introduced by the gallant prince regent.

War Workers
MUST
come first!

PROVINCIAL TRANSPORT COACHES ARE CARRYING MORE THAN 10,000 WORKERS DAILY TO AND FROM WAR INDUSTRIES

The Provincial Transport Company is privileged to play an important part in Canada's war production programme.

Every day, its coaches carry more than 10,000 workers by the special transportation services provided for war industries at Sorel, St. Paul L'Ermite, Bouchard, Brownsburg, Nitro (Pont Masson), Beauharnois and St. Johns, in the Province of Quebec.

More than 10,000 workers a day! Immense production is represented by their efforts, and we are glad indeed to be able to provide essential transportation, not available by other means.

"War Workers MUST Come First!" Since the declaration of war, this has been our guiding principle. After war needs are met, essential public services are maintained to the limit of our capacity, over the routes approved by the Federal Transit Controller. We regret that many of our civilian patrons must suffer inconvenience through transit-control requirements, but we know they recognize, as we do, the importance of an all-out effort for Victory.

PROVINCIAL TRANSPORT COMPANY

1188 Dorchester St. West - Montreal

A Year of Progress — Food

Food - the 1943 Problem

Unsolved in 1942, the Food Problem is One of Belt-tightening and Labor Control

Canada's wartime food job, greatly clarified during the year just closing, is divided approximately into three main divisions.

Of first importance is the feeding of the domestic civilian population and the growing number of armed forces stationed or training throughout the Dominion.

Secondly, comes the export of largely concentrated foods to Great Britain and quite possibly as the war develops, more special shipments to other members of the United Nations, such as the recent wheat and flour sent to Russia and Greece.

Thirdly, and of much less importance, primary food producers are expected from time to time to assist the United States in maintaining the flow of supplies to Great Britain and others of the United Nations.

On the whole, but not without difficulties and radical adjustments, the food industries' job has been discharged well in the last 12 months. Whether the industry can meet all the demands upon it next year, however, depends largely upon labor available and favorable weather.

Main responsibility falls upon agriculture, assisted by those other primary producers, the east and west coast fishermen, and a large range of secondary industries which turn livestock, grain, feed, etc., into food products for direct consumption. In this category will come the flour millers, meat packers, commercial feed manufacturers, butter and cheese factories, milk condensories and powder factories.

Reorienting themselves to the new conditions has meant extensive changes for the farmers. Prior to the war our farm production was largely concentrated on wheat in western Canada and mixed farming items — meat, dairy, poultry and food products from the east.

This, of course, is a very general statement. Already there had developed in western Canada, for instance, considerable production of meat animals and also a broad foundation of dairying in many areas. In eastern Canada too, there were grown in addition to the usual mixed farming lines many specialties. But as the wartime picture clarified the emphasis on various lines shifted, particularly to meet the peculiar needs of besieged Britain.

The United Kingdom continues to import large amounts of wheat and flour, but the European continental market for the same products, of course, disappeared almost overnight. Moreover the agricultural revolution in Britain since the war, whereby huge livestock grazing areas were plowed up and turned into wheat fields, made that country less dependent on cereal imports and more so on concentrated foods like meat, various poultry products and vegetable oils.

The conquest of the Copra Islands in the Far East by the Japanese greatly increased the needs for these edible oils. Prior to the Jap blitz, Britain and the United States and other members of the United Nations had depended heavily on these areas for raw materials for oleo-margarine, cooking oils, soap, etc.

At this point in the process, innocent wood pulp becomes highly explosive "guncotton" or nitrocellulose. In the porcelain baths to the left the pulp is soaked in nitric and sulphuric acids. Later, the product is combined with nitro-glycerine to make the cordite which propels the bullets and shells used by the Empire's troops. Photo was taken in a plant of Defence Industries Ltd., explosives-making subsidiary of Canadian Industries Ltd.

At the beginning of the year the Prime Minister outlined to Parliament the war job faced by Canadian farmers as follows:

> "Canada has contracts with Great Britain for bacon, hams, and other products amounting to 618 million pounds. The forthcoming agreement for cheese is expected to be for at least 125 million pounds. Then, 675,000 cases of evaporated milk will probably again this year be required by Britain. The recent contract for eggs is for 30 million dozen. Further large contracts for summer and fall are anticipated.
>
> "Canada has also undertaken to supply Britain with 4,500,000 pounds of honey; 510,000 barrels of fresh apples; 425,000 cases of processed apples; 300,000 cases of canned tomatoes, and other food and vegetable products in substantial quantities.
>
> "Altogether the value of exports of the above commodities will be at least $180,000,000. Exports of the same products in the year before the war were valued at about $50,000,000."

In that statement, of course, Mr. King covered only the special job of Canada's million-odd farmers. He took it for granted that our pre-war export of wheat and flour which was the equivalent of well over two hundred million bushels of wheat would be maintained. He also took it for granted that the first task of Canadian farmers, feeding our domestic population, would be maintained.

No Need For Hunger

If anyone has gone hungry in Canada during the last 12 months it was not because food was not available in some form or other. True, there have been periodical shortages in certain lines, the most prominent of which have been beef and butter. At the same time over most of the period, standard cheese, many canned goods and bacon have been shy or in a few cases completely absent. But other foods have been abundant and the chief problem of the housewife until recently has been one of substitution rather than reduction in volume.

The main reasons for this adjustment traces to three separate factors.

1. Our heavy export to Great Britain.
2. A big increase in domestic consumption.
3. Dislocation of the canning industry.

Heavy Export

The heavy export of foods to Great Britain outlined by the Prime Minister early this year has been largely fulfilled. In bacon, we fell a few thousand pounds short of meeting the yearly quota on time but have since made this up and taken on an increased commitment, or 675 million pounds, for the year which commenced October last. In cheese the quota was filled earlier than usual as a result of the heavy boost in production and in the last few weeks this food has again become fairly plentiful on the domestic market.

But this export, now running several times above pre-war volume, has seriously affected the domestic market. Not all of it has been completely new production and hence some of it has had to come out of the total which the Canadians themselves would normally consume. In some cases, as with salmon and cheese, the domestic market was simply cut off entirely until the British quotas were filled.

Basis is Stock Feed

And this trade also hits the domestic market indirectly. In practically all agricultural food supplies the common base is livestock feed, grain, pasture and fodder. When by publicity and subsidies Canadian cheese production was boosted to meet the totals required by Britain, production of butter suffered. Then again when we shipped live cattle to the United States, partly to help that country maintain a full export of canned meats and other products to Britain, we also affected our domestic markets so far as supplies are concerned.

Aside largely from cheese, bacon and salmon, the Canadian food industries had no difficulty in meeting export to Britain and all domestic demands, until fairly late this year. Even some of the three items mentioned were available in Canada in limited quantities most of the time. But by fall the double strain of a growing domestic and export demand began to be felt.

Domestic Needs Soar

There are no official figures available yet on the actual gain in domestic food consumption in Canada, but in critical lines like meat, dairy and poultry products it is known to be substantial since the war began. In butter, for instance, where there are practically no imports or exports, the gain this year is estimated at close to 20%, most authorities believe. Last year butter production reached an all-time peak and at Dec. 31, we had about two months supplies in storage. This year, while we have produced almost as much, we have had to dip heavily into storage.

The same is true of beef. Normally we require an export of about 200,000 head of cattle to absorb the annual surplus of production over domestic wants. This year we only exported a part of our quota to the United States but the domestic market could probably have consumed all had it had the opportunity. So close have we come to an even balance in dairy and meat products at least, that some sort of rationing must now be seriously considered.

Gain in domestic consumption is attributed largely to the fact that employment is at record high in Canada and a much larger percentage than usual of this employment is in the nature of physical work, much of it outdoors. Tremendous appetites for dairy and meat products are developed in this way. Dinner pails require well-buttered sandwiches with thick slabs of meat. Added to this extra demand is that of the armed forces stationed or in training here. These people too are heavy eaters.

Third reason for adjustment of the domestic food market can be blamed upon Japan. When the Nipponese troops paraded into Singapore, not only had they captured a world-famous naval base, and much of the world's natural rubber, but almost all the world's available tin as well. Overnight Canada was thrown upon its own very limited resources and almost immediately the biggest user of tin, the canning industry, was affected. The use of tin cans came in for severe restriction towards the end of this year, scores of old standbys, from tinned pork and beans to dog food, began to disappear from grocery shelves.

So much for the job done already, what about the outlook for 1943?

Agricultural authorities, basing their calculations on the largest grain crop in Canada's history, are optimistic, on the whole. In addition to a record wheat crop, something around a billion bushels of coarse grain were harvested last fall. And hay, corn, and potatoes were generally good. This, with a little scientific balancing, is the raw material for the milk, eggs, butter, cheese, beef, pork, etc., which the farms of Canada will be producing in the next five or six months.

Admittedly barns are full of feed, but more than that is needed to produce the foods for human consumption. There must be labor.

Recruiting sergeants and munition factories have drawn heavily on the rural population of Canada with the result that thousands of farms are understaffed. Milking cows and feeding pigs is not light work, and there is no escape from long hours. In many quarters it is feared that without more farm help being made available, food production cannot be retained at present levels even with the abundant raw materials we now have on hand.

This then is the position for the next six months.

Enough raw materials in store to maintain present food production, provided the labor to convert it into finished foods, is available.

This means an abundance of cereal foods, like bread and breakfast foods, probably sufficient fruit and vegetables, especially in the raw state. Probably enough meat and dairy products though some rationing may be necessary.

At the end of six months accumulated stocks of raw material in the form of feed wheat, grain and fodder will have been largely used up and from then on much will depend on the harvest of 1943 regarding which no sane man would venture to forecast at this time.

A Year of Progress — Small Arms

A Gun a Minute

Canadian Small Arms Blaze On All Fronts

Canadian-made small arms are knocking down the enemy on most fighting fronts of the world.

In ever-increasing numbers they are being shipped from our ports to more than 50 designations, to every theatre of war, to soldiers of most of our allies.

They are blasting Axis planes from the sky, mowing down infantry, even sinking ships, and proving an important factor in turning the tide of battle.

We made 87% more of them in November than we did in the whole of 1941, according to the Department of Munitions and Supply.

September was the last month for which actual production figures were given. In September Canada's output of small arms was 37,225 units.

However, at the end of November Hon. C. D. Howe, Minister of Munitions and Supply, made this statement:

> "We are now producing small arms, such as Bren guns, other automatic guns, and rifles, at a rate of better than one every minute. At the same time we are producing the ammunition for these guns at the rate of 40,000 finished rounds per minute."

One unit of small arms a minute would be 1,440 a day, or 43,200 in a 30-day month. Mr. Howe said "better than one every minute."

A comparison of this with the September figures shows how rapidly production is still climbing.

Eleven Types

Canada is making eleven different "small arms," according to the Department of Munitions and Supply. There are four types of machine guns—the Bren, the Vickers .5, the Browning aircraft, and the Browning tank machine gun. There are two types of trench mortars. There are also the No. 4 rifle, the Boys anti-tank rifle, the Sten carbine, the smoke discharger, and the bomb thrower.

The Bren light machine gun is essentially an infantry weapon, and is capable of firing 550 rounds a minute. Under ordinary circumstances its effective range is about 1,000 yards, while its maximum range is estimated to be 2,000 yards. It uses three kinds of ammunition—ball, armor piercing and tracer—and in a report tabled in the House of Commons was called "the backbone of infantry firepower in all of the Empire armies." It can be adapted to anti-aircraft work.

Bren guns, equipped with 100-round magazines, shot down dive bombers in Libya.

The .303 Browning machine gun is standard equipment for Empire aircraft. Planes have two, four, six, eight or 12 of these guns, depending on their type. The Browning has the greatest destructive power of any gun of this calibre; in combat it can literally saw enemy planes in half, and 5,000-ton merchant ships have been sunk by concentrated Browning fire along the water line. The effective range is 600 yards and ball, armor-piercing and tracer ammunition are used. Incendiary ammunition is used for special jobs.

Equally potent is the Browning M.G.1919 tank machine gun.

Like the Bren, the Vickers .5 machine gun earned a reputation

The confidence Canada's soldiers have in these two weapons is reflected in statements made by men who were decorated for their part at Dieppe. Sgt. Major Jim Murphy called the Bren his "life saver," added that without it he would have been "sunk," and urged: "Don't let us ever go short of them." Pte. Alex Chisholm favored the Vickers. "It's terrific," he said. "We were using the new .303 ammunition and hitting dive bombers 2,600 yards away. With a gun like that there'd be no alibi for missing those planes when they levelled straight for us."

The Boys anti-tank rifle is a single-shot, hand-operated weapon with a simple bolt action which has a calibre of .55 of an inch and is fired from a bipod. It affords protection from light armored fighting vehicles.

Pretty much on the secret list still is the Sten machine carbine, first developed in the United Kingdom in 1940-41 to meet requirements for large numbers of "Tommy" guns. Its design is extremely simple, and it is said to be very cheap to manufacture, costing less than half as much as a rifle.

The No. 4 rifle is the modern equivalent of the Lee-Enfield rifle used in the first Great War. It is lighter, has the new style short bayonet and a simplified backsight. Its magazine holds two charges of five rounds each and with the No. 4 the trained man can fire 15 aimed shots a minute. Some of the rifles, especially selected for accuracy, are equipped with telescopic sights for snipers. The effective range of this rifle is 1,200 yards, the maximum range 2,000 yards, and it uses ball, armor piercing and tracer ammunition.

The smoke discharger and the smoke bomb thrower are defensive armament, the latter being used on tanks to lay down a smokescreen. Two inch and three inch trench mortars complete the list.

Eight Plants

Eight major plants in Canada are manufacturing small arms. They have a total of 24,000 employees, approximately 60% of them women. The biggest plant has 16,000 employees.

The original programmes of these plants have been greatly expanded, in some cases from four to 10 times. The total capital assistance they had received from the government at last reports amounted to $47.5 millions, their operating contracts were just under the $200 millions mark, and the dollar value of their production approximated $50 millions.

Mr. Howe is authority for the statement that costs have been so reduced that an automatic gun—he did not specify which—that originally cost $600 is now costing less than $200.

Production costs have also been greatly reduced on other weapons in the small arms category.

Up-to-date figures are not available, but some statistics given Parliament in the early summer were indicative of a trend which has since continued.

They showed that at the beginning of 1941 the cost of a Bren gun was $390.59. By the first quarter of 1942 this had dropped to $192.28. At Nov. 15, 1941, a Browning .303 was costing $402.99, while at Apr. 25, 1942, it was costing $220.50. From Sept., 1941, to April, 1942, cost of making the No. 4 rifle dropped from $97.43 to $47.43.

One of the main problems small arms plants encountered in 1942 was the fact that increased production schedules required more and more skilled toolmakers and machine-tool setup men, and that few were available.

This was offset by training programmes in which workers, including women, were fitted for the more difficult industrial operations. Individual plants had their own schools and upgrading systems. They also used workers trained by the Dominion-provincial war emergency training project.

Even as other industries, small arms factories had a good deal of trouble early in the year with labor turnover and absenteeism. Jobs were so plentiful that a worker could walk out of one and into another and perhaps get higher wages in the process. Many employees were married women who took a day off when they felt like it to catch up on their household chores. Others saw in their jobs only a humdrum procedure at a machine that brought them a pay envelope at the end of the week, couldn't visualize the significance of their labor in terms of battles won and lost.

Small arms producers were among the first of the industries which developed morale campaigns to impress on employees that they were fighting on the production front and that it was their duty to stick to their posts. Posters were displayed in the plants, the competitive spirit was built up between departments by contests of one sort or another, labor-management production councils were organized—councils which tended to give the workers a fuller sense of responsibility.

By December, absenteeism, if still a problem, had diminished greatly. Regulations put in effect by national selective service had curtailed labor turnover to a minimum. Labor supply is still short but there is less difficulty with this than when the pace of employment expansion was faster.

Despite priority ratings, small arms producers ran into shortages of some materials during the year, or, if they did not actually experience them, at least saw them coming. Consequently they did a lot of redesigning to save metal, and, wherever possible, found substitutes for critical materials.

Life Blood of VICTORY

The winning of a great battle may well start in this molten stream of fine ATLAS tool steel. For when it is processed, it will be used to build more planes, guns, tanks and ships . . . they could not be made without it.

Because tool steel is a vital war weapon, be sure you use it wisely. To make certain, call in an ATLAS metallurgical engineer. These men are at your service without cost or obligation. They will gladly analyze your problem, advise on steel applications, heat treatments, and show you how to get the most out of ATLAS Steels. Arrange for this service through the nearest ATLAS Branch or Distributor . . . today.

ATLAS STEELS

100% MADE IN CANADA

ATLAS STEELS LIMITED
WELLAND, ONTARIO

Dividends Declared

	This payment $	Date payable	Date of record
Acme Glove, pfd.	3.25	Jan. 2	Dec. 18
Agnew Surpass, pf.	1.75	Jan. 2	Dec. 15
Algoma Steel, pd.	2.50	Jan. 1	Dec. 15
Amal. Electric	.30	Jan. 2	Dec. 15
Asbestos Corp.	.20	Dec. 30	Dec. 1
Do., bonus	.30	Dec. 30	Dec. 1
Amer. Cyan. A, B	■.15	Jan. 2	Dec. 12
Anglo-Huronian	.10	Jan. 22	Jan. 8
Assoc. Brew.	.50	Dec. 31	Dec. 10
Do., pref.	1.75	Jan. 2	Dec. 10
Assoc. Tele. pfd.	†1.10	Dec. 30	Dec. 21
Do., $6 pref.	†1.02	Dec. 30	Dec. 21
Atlas Steel pfd.	1.75	Jan. 1	Dec. 16
B.C. Elec. Pr. & G. p.	1.50	Jan. 2	Dec. 19
B.C. Power A.	.50	Jan. 15	Dec. 31
Beatty Bros. A	.25	Jan. 2	Dec. 15
Do., 2nd pref.	3.50	Jan. 2	Dec. 15
Bank of N. Scotia	2.50	Jan. 2	Dec. 16
Barber-Ellis, pref.	1.75	Jan. 15	Dec. 31
Belding Cort.	1	Jan. 2	Dec. 15
Do., pref.	1.75	Jan. 2	Dec. 15
Bell Telephone	2	Jan. 15	Dec. 23
Biltmore Hats	.15	Jan. 15	Dec. 31
Brazilian Tr. p.	1.50	Jan. 2	Dec. 15
Brit. Amer. Oil	.25	Jan. 2	Dec. 10
Blue Top Brew. A.	.30	Dec. 31	Dec. 15
Bralorne Mines	.20+.10	Jan. 15	Dec. 31
Brant Cordage, pfd.	.32½	Jan. [illegible]	Dec. 20
Broulan Porc.	.03	Jan. [illegible]	Dec. 31
Building Products	17½	Jan. 2	Dec. 15
Do., extra	.10	Jan. 2	Dec. 15
Burlington Steel	.15	Jan. 2	Dec. 15
Brit. Mtge. Trust	4	Jan. 2	Dec. 15
Blue Ribbon pfd.	.62½	Feb. 1	Jan. 21
B.C. Elec. Rly. pfd.	2½%	Jan. 15	Dec. 31
B.C. Tele. pfd.	1.50	Jan. 1	Dec. 17
Do., 2nd pref.	1.50	Feb. 1	Jan. 16
Brockville Trust	.62½	Jan. 2	Dec. 20
Can. Cottons	1.00	Jan. 2	Dec. 5
Do., pref.	1.50	Jan. 2	Dec. 5
Can. Bread pfd.	1.50	Jan. 2	Dec. 15
Do., (B) pfd.	.62½	Jan. 2	Dec. 15
Canadian Oil, pref.	2	Jan. 2	Dec. 19
Can. Breweries, p.	.85	Jan. 2	Dec. 15
Can. Canners	.12½	Jan. 2	Dec. 15
Do., 1st pref.	.25+.05	Jan. 2	Dec. 15
Do., 2nd pref.	.15+.05	Jan. 2	Dec. 15
Can. For. Inv., pf.	2	Jan. 1	Dec. 15
Can. Bronze	.37½	Feb. 1	Jan. 11
Do., extra	.50	Feb. 1	Jan. 11
Do., pref.	1.25	Feb. 1	Jan. 11
Can. & For. Sec.	.06	Feb. 1	Jan. 15
Canadian Fire	2	Jan. 2	Dec. 21
Can. Indemnity	3	Jan. 2	Dec. 21
Do., extra	2	Jan. 2	Dec. 21
Can. Gen. Inv.	■.12½	Jan. 15	Dec. 31
Canadian Car, pfd.	44	Jan. 11	Dec. 21
Can. Wire Box	.37½	Jan. 2	Dec. 15
Do., arrears	12½	Jan. 2	Dec. 15
Canada Life	5	Jan. 2	Dec. 31
Can. South. Rly.	1.50	Feb. 1	Dec. 28
Canada Starch	.50	Jan. 15	Jan. 8
Do., pref.	3.50	Feb. 15	Feb. 8
Can. Converters	.50	Jan. 30	Dec. 28
Can. Celanese	.25+.25	Dec. 31	Dec. 15
Do., pref.	1.75	Dec. 31	Dec. 15
Do., Inc. fund rts.	1	Mar. 15	Dec. 31
Canada Cycle	.30+.20	Dec. 26	Dec. 10
Do., pref.	1.25	Dec. 26	Dec. 10
Canada Trust	3	Jan. 2	Dec. 15
Can. Packers	1	Jan. 2	Dec. 15
Can. Pac. Rly., pfd.	2%	Feb. 1	Jan. 1
Can. Industries A, B	1.25	Dec. 26	Dec. 17
Do., pref.	1.75	Jan. 15	Dec. 31
Can. Light & Pr.	.50	Jan. 15	Dec. 24
Can. Silk Prod.	.37½c	Jan. 2	Dec. 15
Can. Perm. Mortge.	2	Jan. 2	Dec. 15
Can. Gen. Elec.	2	Jan. 2	Dec. 15
Can. West'house	■.50	Jan. 1	Dec. 14
Can. Nor. Pr.	■.15	Jan. 25	Dec. 19
Do., pref.	■1.75	Jan. 15	Dec. 19
Cariboo Gold	■.02	Jan. 2	Dec. 4
Cent. Pat. Gold	.03	Jan. 4	Dec. 10
Can. Tube & Stl. pf.	1.75	Dec. 31	Dec. 24
Cel. of Amer.	†.50	Dec. 31	Dec. 17
Do., prior pfd.	†1.75	Jan. 1	Dec. 17
Do., pref.	†1.25	Jan. 1	Dec. 17
Do., 2nd pref.	†1.75	Jan. 2	Dec. 17
Central Can. Loan	2	Jan. 2	Dec. 19
Confederation Life	1.50	Dec. 31	Dec. 25
Chart. Trust	1	Jan. 2	Dec. 15
Cockshutt Plow	.25	June 1 '43	May 15
Comm. Alcohol	.05	Jan. 15	Dec. 31
Do., pref.	.10	Jan. 15	Dec. 31
Cons. Smelters	.50	Dec. 31	Dec. 2
Do., extra	.75	Dec. 31	Dec. 2
Carnation, pfd.	†1	Jan. 2	Dec. 12
Cons. Bakeries, ord.	.15	Jan. 2	Dec. 15
Consumers' Gas	2	Jan. 2	Dec. 15
Carnation, c.	†.50	Jan. 2	Dec. 12
Crown Trust	1	Dec. 31	Dec. 24
Can. Amer. Tr. shs.	0.076	Dec. 31	coup. 25
Crown Life	3%	Jan. 2	Dec. 31
Detroit Can. Tunnel	†.75	Dec. 10	Nov. 30
Debent. & Sec. pfd.	2.50	Jan. 2	Nov. 30
Distillers Seag. pf.	†1.25	Feb. 1	Jan. 15
Dom. Foundries	.25+.25	Jan. 2	Dec. 19
David & Frere, A	.25	Dec. 31	Dec. 15
Dominion Bank	2	Feb. 1	Jan. 15
Dom. Glass	■1.25	Jan. 2	Dec. 15
Do., pref.	■1.75	Jan. 2	Dec. 15
Dom. Woollens pfd.	.60	Jan. 2	Dec. 15
Dunlop Tire, pref.	.62½	Dec. 31	Dec. 15
Dominion Tar pfd.	1.37½	Feb. 1	Jan. 15
Dominion Tire	3	Jan. 2	Dec. 31
Dome Mines	■.40	Jan. 20	Dec. 31
Dom. Textile	1.25	Jan. 2	Dec. 5
Do., pref.	1.75	Jan. 15	Dec. 15
Excelsior Life	4%	Jan. 2	Dec. 31
East. Can. Sav.	$1.50	Jan. 2	Dec. 21
Eastern Trust	2	Jan. 1	Dec. 20
Easy Washing pf.	17½	Jan. 2	Dec. 21
Eastern Steel pfd.	.25	Jan. 1	Dec. 15
Ensign Ins.	1.50	Jan. 2	Dec. 31
East Theatres, c.	.50	Dec. 31	Dec. 15
Fanny Farmer	†.37½	Dec. 31	Dec. 15
Do., extra	†.25	Dec. 31	Dec. 15
Farmers' Tele.	.63	Jan. 30	Dec. 31
Famous Players	.50	Dec. 31	Dec. 19
Ford Motor A B	.25	Dec. 31	Dec. 14
Foundation Co.	.35	Jan. 20	Dec. 31
Gatineau Pwr.	.15	Dec. 31	Dec. 1
Do., 5½% pref.	1.38	Jan. 1	Dec. 1
Do., 5% pref.	1.25	Jan. 1	Dec. 1
Greening Wire	.15	Jan. 2	Dec. 15
Gt. Lakes Pap. A. B.	.75	Dec. 31	Dec. 21
Goodyear Tire	.63	Dec. 31	Dec. 15
Do., extra	2.50	Dec. 31	Dec. 15
Do., pref.	.62½	Dec. 31	Dec. 15
Gt. West Life	3.75	Jan. 2	Dec. 19
Gt. West. S'dlery pf.	.75	Dec. 31	Dec. 23
Do., 2nd pref.	.75	Dec. 31	Dec. 23
Do., arrears	‡6	Dec. 31	Dec. 23
Gould Pumps pref.	†2	Dec. 30	Dec. 19
Guar. of N. Amer	1.50	Jan. 15	Dec. 31
Do., extra	2.50	Jan. 15	Dec. 31
Guaranty Trust	1.25	Jan. 15	Dec. 31
Honey Dew	.50	Jan. 2	Dec. 15
Ham. Cotton pfd.	.50	Jan. 2	Dec. 15
Do., com.	.10	Jan. 2	Dec. 15
Ham. Un. Theat. p.	1.25	Dec. 31	Dec. 15
Huron & E. Mtge.	1.00	Jan. 2	Dec. 15
Harding Carpets	.10	Jan. 2	Dec. 17
Hollinger Cons.	.05	Dec. 31	Dec. 16
Hudson's Bay, pfd.	2½%	Jan. 1	Dec. 31
Invest. Found., pfd.	.75	Jan. 15	Dec. 31
Inter. Nickel c.	†.50	Dec. 31	Dec. 1
Imperial Life	3.75	Jan. 2	Dec. 31
Imperial Tob. ord.	.10	Dec. 31	Dec. 11
Indust. Accept. A.	.25	Dec. 31	Dec. 24
Do., pref.	1.25	Dec. 31	Dec. 24
Inter. Paper, pfd.	1.25	Dec. 30	Dec. 18
Island Mtn. M.	.06	Dec. 28	Nov. 30
Inter. Paints, pfd.	1	Jan. 12	Dec. 12
Do., arrears	.50	Jan. 12	Dec. 12
Inter Nickel pref.	†1.75	Feb. 1	Jan. 2
Inter. Power, pfd.	1.75	Jan. 2	Dec. 15
Do., arrears	3	Dec. 30	Dec. 15
Interco. Coal	2	Jan. 2	Dec. 21
Do., pref.	4	Jan. 2	Dec. 21
Imperial Bank	2	Feb. 1	Dec. 31
Indust. Mtge.	1	Jan. 2	Dec. 15
Inter. Bronze	■.20	Jan. 15	Jan. 5
Do., pref.	■.37½	Jan. 15	Jan. 5
Inter. Milling pfd.	†1.25	Jan. 15	Dec. 31
Jam. Pub. Ser.	.17	Jan. 2	Dec. 21
Do., pref.	1.75	Jan. 2	Dec. 21
Lake Dufault	.02	Jan. 25	Jan. 6
Kerr Addison	.08	Dec. 30	Dec. 10
Lamaque G.	.10	Feb. 1	Jan. 8
Lambton Loan	1+.50	Jan. 2	Dec. 15
Lambton Trust	1.50	Dec. 31	Dec. 15
Landed Banking	1	Jan. 2	Dec. 15
Lang, J. A.	.17½	Jan. 2	Dec. 15
Little Long Lac	.07½	Dec. 30	Dec. 12
Levy Bros.	.40	Dec. 28	Dec. 18
McIntyre Porc. ext.	1.11	Jan. 2	Nov. 2
Melchers Dist. pfd.	.30	Feb. 15	Feb. 1
Mill C. Pete.	.03	Jan. 29	Jan. 8
McColl Fron.	.15	Dec. 31	Dec. 15
Do., pref.	1.50	Jan. 15	Dec. 31
Madsen R. L.	.03	Dec. 29	Dec. 10
Moore Corp.	.55½	Jan. 2	Dec. 8
Do., extra	.66½	Jan. 2	Dec. 8
Do., pref. A, B	†1.75	Jan. 2	Dec. 8
Modern Contain.	.30	Jan. 2	Dec. 20
Do., pref.	1.37½	Jan. 2	Dec. 20
Marcus Loew's pfd.	1.75	Dec. 31	Dec. 15
Moneta Porc.	.02	Jan. 15	Dec. 31
Midland Loan	.40	Jan. 2	Dec. 15
Mtl. C & D. Bank	3+1	Jan. 2	Dec. 15
Manufacturers Life	6	Jan. 2	....
Murphy Paint	.20	Jan. 1	Dec. 19
Do., pref.	1.37½	Jan. 1	Dec. 19
Maritime Tel.	.20	Jan. 15	Dec. 19
Do., pref.	.17½	Jan. 15	Dec. 19
McLeod Bldg.	1.50	Dec. 15	Dec. 10
Montreal Power	.38	Jan. 30	Dec. 31
Nat. Biscuit	†.30	Jan. 15	Dec. 11
N.S. Lt. & Pr ord.	1.50	Jan. 2	Dec. 15
Nat. Grocers, pf.	.37½	Jan. 1	Dec. 15
Niag W. Weav.	.25	Dec. 31	Dec. 17
New Bruns. Tele.	.18	Jan. 15	Dec. 31
New Eng. Pwr. pfd.	†1	Jan. 2	Dec. 10
Do., 2nd pref.	.33⅓	Jan. 2	Dec. 19
Nor. Ont. Pwr.	.12	Jan. 25	Dec. 31
Do., pref.	1.50	Jan. 25	Dec. 31
Nat. Breweries	.50	Jan. 2	Dec. 11
Do., pref.	.43	Jan. 2	Dec. 11
Nat. Steel Car	.50	Jan. 15	Dec. 31
National Trust	2	Jan. 2	Dec. 21
North Star Oil p.	.08¾	Jan. 2	Nov. 30
Ogilvie Flour, c.	.25	Jan. 2	Dec. 19
Ottawa Elec. Rly.	.50	Jan. 2	Dec. 10
Do., extra	.20	Jan. 2	Dec. 10
Ont. Loan & Deb.	1.25	Jan. 2	Dec. 15
Ottawa L. H.	15	Jan. 1	Nov. 19
Do., pref.	1.25	Jan. 1	Nov. 19
O'Brien Gold	.03	Jan. 16	Dec. 26
Page-Hersey	1.25	Jan. 2	Dec. 15
Paymaster Cons.	■.01	Jan. 15	Dec. 31
Paramount Pict. pf.	†1.50	Dec. 29	Dec. 21
Do., com.	†.30	Dec. 29	Dec. 19
Pend Oreille	.06	Dec. 28	Nov. 30
Penmans	.75	Feb. 15	Feb. 5
Do., pref.	1.50	Feb. 21	Jan. 21
Pickle Crow	.10	Dec. 31	Dec. 15
Porto Rico Pr., pfd.	1.75	Jan. 2	Dec. 15
Premier Gold	.01½	Jan. 15	Dec. 15
Proprietary M.	.68	Jan. 6	Dec. 23
Preston E. Dome	.05	Jan. 15	Dec. 23
Power Corp.	■.15	Feb. 1	Dec. 31
Do., pref.	■1.50	Jan. 15	Dec. 19
Do., 2nd pfd.	■.75	Jan. 15	Dec. 19
Price Bros. pfd.	1.37½	Jan. 2	Dec. 19
Prov. Paper pfd.	1.75	Jan. 2	Dec. 15
Premier Trust	1	Dec. 31	Dec. 19
Quebec Power	.25	Feb. 25	Jan. 25

DIVIDEND NOTICES

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis and Prince Streets, Halifax, N.S., on Wednesday, the 3rd February next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board.

H. D. BURNS,
General Manager.

Halifax, N.S.
December 17th, 1942.

Blue Ribbon Corporation Limited

NOTICE IS HEREBY GIVEN that a dividend of sixty-two and a half cents (62½c) per share on the Preferred Shares of the Company has been declared payable on and after the first day of February, 1943, to holders of record at the close of business on the 21st day of January, 1943.

DATED AT TORONTO this 14th day of December, 1942.

D. W. LAVERTY,
Secretary-treasurer.

IMPERIAL BANK OF CANADA

DIVIDEND NO. 210

Notice is hereby given that a Dividend of two per cent (2%) has been declared for the quarter ending 30th January, 1943, payable at the Head Office and Branches on and after Monday, the 1st day of February next, to shareholders of record of 31st December, 1942.

By order of the Board.

H. T. JAFFRAY,
General Manager.

Toronto, 16th December, 1942.

Canadian Bronze Company Limited

DIVIDEND NOTICE

The quarterly dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of February, 1943, to Stockholders of record as of the 11th day of January, 1943.

Also a quarterly Dividend of Thirty-seven and one-half (37½c) Cents per Share, together with an interim dividend of Fifty (50c) Cents per Share, have been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending January 31st, 1943. Payable the 1st day of February, 1943, to Stockholders of record as of the 11th day of January, 1943.

By Order of the Board,

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
December 18, 1942.

Montreal Light Heat & Power CONSOLIDATED

106th Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of One Dollar and Fifty cents per annum) has been declared on the presently issued and paid up common stock of the Company for the quarter ending December 31st, 1942, to shareholders of record that date.

Cheques representing this dividend will be mailed on January 29th, 1943.

By Order of the Board,

C. C. PARKES,
Secretary.

Montreal, December 21st, 1942.

Montreal Light Heat & Power serves 288,219 gas and electricity customers representing a population of 1,511,930 in the sixty municipalities in the City and District of Montreal.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1943.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of February to Shareholders of record of the 21st day of January, 1943.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 5th day of February, 1943.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
December 21, 1942.

Dividends Declared (Cont.)

Real Est. Loan	1.00	Jan. 2	Dec. 17
Regent Knit, c.	.25	Jan. 15	Jan. 2
Riverside Silk, A	.50	Jan. 2	Dec. 10
Remington Rand	†.25	Jan. 2	Dec. 10
Do., pref.	†1.12½	Jan. 2	Dec. 1
Sangamo	■.15	Dec. 28	Dec. 23
H. Smith Pap. pfd.	1.50	Jan. 15	Dec. 31
Sheep Creek G.	.04+.01	Jan. 15	Dec. 31
Securities Hold., pf.	.65	Jan. 2	Dec. 16
St. Law. Corp. A.	■.25	Jan. 15	Jan. 2
St. Law. Paper	■.75	Jan. 15	Jan. 2
Sigma Mines	■.30	Jan. 15	Dec. 31
Stand. Radio A. B.	.10	Jan. 10	Dec. 31
Sherwin Wms. ord.	.15	Feb. 1	Jan. 15
Sherwin Wms. pf.	1.75	Jan. 2	Dec. 15
Stand. Fuel, pfd.	1	Jan. 1	Dec. 15
Stedman Bros.	.15	Jan. 1	Dec. 20
Do., pref.	.75	Jan. 1	Dec. 20
Sterling Trusts	1.50	Jan. 2	Dec. 21
South. Can. Pwr.	.20	Feb. 15	Jan. 20
Do., pref.	1.50	Jan. 15	Dec. 19
Sylvanite Gold	.03	Jan. 15	Dec. 31
Sun Life Assur.	3.25	Jan. 1	Dec. 16
Steel of Can.	.75	Feb. 1	Jan. 7
Do., pref	.75	Feb. 1	Jan. 7
Supersilk H., pfd.	2.50	Jan. 2	Dec. 18
Supertest Pete.	.50	Jan. 2	Dec. 11
Do., pref. B	.75	Jan. 2	Dec. 11
Thayers, pref.	2	Jan. 2	Dec. 21
Teck-Hughes	■.10	Feb. 1	Jan. 8
Tamblyn	.20	Jan. 2	Dec. 15
Do., pref.	.62½	Jan. 2	Dec. 15
Tip Top Tailors	.07½	Jan. 2	Dec. 19
Do., pref.	1.75	Jan. 2	Dec. 19
Tor. Gen. Trusts	1	Jan. 2	Dec. 12
Toronto Mortgage	1.25	Jan. 2	Dec. 15
Traders Fin. Rts.	1	Jan. 2	Dec. 31
Do., B rts.	1	Jan. 2	Dec. 21
Do., pref	1.50	Jan. 2	Dec. 15
Tuckett Tob., pfd.	1.75	Jan. 15	Dec. 31
Twin City R., pfd.	†3.50	Dec. 31	Dec. 26
Union Steamships	.25	Dec. 28	Dec. 14
United Corp. B.	.30	Dec. 30	Dec. 10
United Fuel A. pf.	.75	Jan. 2	Dec. 10
Unit. Gold Equit.	.05	Dec. 30	Dec. 15
Ventures	■.05	Dec. 30	Dec. 10
Viau, pref.	1.25	Jan. 2	Dec. 19
Western Assur. pfd.	1.20	Jan. 2	Dec. 31
Waterloo Trust	2.50	Jan. 2	Dec. 23
Wood, A. J. pfd.	1.75	Feb. 1	Jan. 15
Wabasso C.	1	Jan. 2	Dec. 21
West. Grocers	.75	Jan. 15	Dec. 20
Do., pref.	1.75	Jan. 15	Dec. 20
Weston Geo. com.	.20	Jan. 2	Dec. 12
Wilsil	.25	Jan. 2	Dec. 15
West Koot. Pr. pf.	1.75	Dec. 31	Dec. 15
Wr.-Hargreaves	.10	Jan. 2	Nov. 26

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board. *Plus 75c., payable in 5% pref. stock in ratio of 1 pref. for each 13 1/3 sh. A or B held, payable Dec. 17/42, of record Dec. 1, 1-xd Nov. 30. Fractional sh. in cash. ‡Arrears eliminated with this payment.

Canners Seek '43 Price Base

See Less Efficient Labor Big Problem For Next Pack

The canning industry is anxious to know the 1943 price policy of the Wartime Prices and Trade Board so that contracts with growers can be made as early as possible, it was stressed at the recent annual meeting of the Canned Foods Association of Ontario held in Toronto. A resolution was passed requesting W.P.T.B. to consult as soon as possible with fruit and vegetable growers in connection with fixing prices for next season's crops.

Labor supply was seen as another urgent problem of the industry. Canners were told that both producers and themselves would have to get along with less efficient labor, due to the attraction of munition plants.

Production Down?

Fear was expressed that farm production might fall off due to a more acute transportation situation and higher costs for fertilizers, spray material, fruit packages, etc. This might mean that canners would have to pay still higher prices for their fruits and vegetables.

Advertising in U. S. Shows More Strength

Volume of advertising carried by American publications, as indicated by Media Records Inc. measurements in 52 key cities, showed a higher trend in November. The total lineage of 119 millions was only 2.3% under that for the same month last year.

A breakdown of returns shows that department store and general advertising was ahead of last year. Retail and financial was down slightly. The only category to show a major change was automobile advertising, which is currently about 60% of what it was a year ago.

Paper Mill Operations In U. S. Hold Steady

Paper mill operations in the United States moved up to 86.7% of capacity of mills reporting to the American Pulp and Paper Association. This is around the average of the last four weeks, but well under the week of Dec. 13, 1941, when the ratio was 106.3%.

DIVIDEND NOTICES

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1943,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

3rd December, 1942.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends.

No Par Value Common Stock

No. 23, Interim, 15c per share. Payable February 1st, 1943, to holders of record at the close of business December 31st, 1942.

6% First Cumulative Preferred Stock

No. 70, quarterly, $1.50 per share.

6% Non-Cumulative Participating Preferred Stock (Par Value $50)

No. 62, quarterly, 75c. per share. Payable January 15th, 1943, to holders of record at the close of business December 19th, 1942.

L. C. HASKELL, F.C.I.S.,
Secretary

Montreal, November 27th, 1942.

WESTERN GRAIN COMPANY LIMITED

NOTICE IS HEREBY GIVEN that Coupon No. 20, being half-yearly interest due on January 2nd, 1939, on the Company's first mortgage bonds, will be paid on presentation to the Company's paying agencies on January 2nd, 1943.

Residents of Canada will be paid in Canadian funds. Current premium will be paid if requested. Payment in United States funds will be made only when the coupon is accompanied by Ownership Certificate showing that owner is a bona fide resident of the United States or the Sterling area.

By Order of the Board,

J. B. RENDALL,
Secretary.

December 15, 1942.

The Steel Company of Canada, Limited

PREFERENCE DIVIDEND NO. 126

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Preference Shares of the Company has been declared for the quarter ending December 31, 1942, payable February 1, 1943, to shareholders of record at the close of business January 7, 1943.

By Order of the Board,

H. S. ALEXANDER,
Secretary.

Hamilton, Canada, December 16, 1942.

The Steel Company of Canada, Limited

ORDINARY DIVIDEND NO. 104

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Ordinary Shares of the Company has been declared for the quarter ending December 31, 1942, payable February 1, 1943, to shareholders of record at the close of business January 7, 1943.

By Order of the Board,

H. S. ALEXANDER,
Secretary.

Hamilton, Canada, December 16, 1942.

Wheat Still Rules Prairies

But Other Field Crops Challenge Supremacy This Year

From Our Own Correspondent

WINNIPEG.—Latest official statistics show that wheat is still "King" in Saskatchewan but that other field crops combined have successfully challenged that supremacy in Manitoba and Alberta. Because of the immense lead in Saskatchewan and the great farm crop area of that province, however, wheat is still predominant in figures covering total for all three prairie provinces.

This year it is estimated gross value of all field crops produced in the three prairie provinces was $750 millions of which $386 millions is credited to wheat. Next largest individual contributor is oats, almost entirely used for livestock feed, with $167 millions and in third place comes barley with $105 millions. The bulk of the latter will also find its way into livestock feed, principally for hogs, though of course some goes first to the breweries for malting, after which [illegible]-product, brewers' [illegible]ilable for stock [illegible]otal for all grains this year is more than double the $302 millions total for 1941 and also double the average of about $350 millions for the three years 1939-1941.

Saskatchewan Grows 60%

About 60% of the total prairie wheat came from Saskatchewan where the value of that crop this year is estimated at $231 millions. This is about 60% of the total for all Saskatchewan field crops estimated at $390 millions. Value of the wheat crop this year, due to a much larger total and a better "official" price, showed the huge gain of about 300% from a year ago and it was almost double that of 1940 and 1939.

In Manitoba value of the wheat crop this year is estimated at a little over $36 millions which was but $2 million better than that of barley and $13 millions better than oats. Combined these two coarse or feed grains greatly exceeded the total for wheat, as they almost did in Alberta. Details of values by provinces follow:

FIELD CROP VALUES
(In Millions of Dollars)

	Manitoba		Saskatchewan		Alberta		Total Each Crop	
	1942	1941	1942	1941	1942	1941	1942	1941
Wheat	36.4	37.0	231.1	76.8	118.9	48.5	386.5	162.4
Oats	22.8	14.8	84.1	24.6	59.5	21.0	167.4	60.3
Barley	34.2	16.0	39.6	10.7	31.4	10.9	105.1	47.0
Total*	112.2	74.7	390.8	128.8	240.0	101.6	712.9	303.0

*Including rye, flax, roots, hay, sugar beets, etc.

The Business Of Farming

By GORDON L. SMITH

Canadian agriculture received a lot of disastrous publicity during the great western drought of middle 'thirties and it is still suffering from it. All too typical is this comment from the British News Review:

> "As sweated colonial labor and exhausted Canadian wheat lands have come under the inexorable law of diminishing returns, even government subsidies, high tariffs and controlled prices have been unable to bridge the costly gap."

There may be some excuse for a "popular" type of British publication being ignorant of the comeback of the Canadian prairies but unfortunately there seem to be people even in eastern Canada equally misinformed. Columnist McAree of the Globe & Mail, who really should know better, intimated this week that large sections of our western wheat lands had been "mined" out, and criticized the development of mechanized farming.

* * *

A Lot of Twaddle

The truth is that there has been a great deal of twaddle talked about deterioration of western soils. As with all land booms, of course, some unsuitable ground was broken and put into wheat but this would not include more than a relatively small percentage of the total area and most of it long since has gone back to grass.

As proof we have the generally good crops harvested since 1939 and the really phenomenal harvest of this fall. This was, by long odds, the largest wheat crop in the history of Canada, despite the fact that acreage was down considerably from the peak. Moreover the yield per acre, the real measuring stick of soil fertility was within a fraction of a bushel of the highest ever recorded.

Unfortunately the war and the partial eclipse of wheat, overshadowed the news of the mammoth crop this year, which is rather a pity in view of the bad taste still lingering regarding the great drought.

* * *

Farm Mechanization

And another thing that would do with some dispelling is the all too common "queer" urban view regarding farm mechanization. Mr. McAree, already mentioned, in a special column on the problems of Canadian farming, mentions with approval the fact that up-to-date farmers, and several city business men turned farmers have achieved remarkable success, simply by applying common business principles, even while the rank and file of farmers were slipping farther into insolvency.

This is true and probably applies to other large callings in Canada, such as say, store-keeping. But a little later Mr. McAree takes a swing at machine farming and in this criticism he will probably be supported by thousands of city observers who seem to think that a farmer "wastes" money on farm machinery.

These two observations simply do not jibe. The up-to-date business-like farmer cannot get along without modern machinery, any more than an urban factory. Without the binder, combine, and tractor, western Canada could not have been developed, nor would our vast output of dairy, poultry, fruit and vegetable products have been possible without other modern equipment and implements. And particularly during these days of acute farm labor shortage are farmers dependent on machines.

* * *

Credit For Veterinaries

About twenty years ago Ontario farmers were startled by an outbreak of cattle deaths. After some alarming rumors the trouble was traced to spoiled sweet clover silage.

Apparently the blood of cattle affected was thinned and when they were dehorned they promptly bled to death. With greater care with the silage and dehorning, the outbreak was checked but fortunately not forgotten.

The other day a medical research worker remembered the epidemic and got hold of some spoiled sweet clover silage. The bacteria responsible was isolated and now there is hope that blood clots so fatal to human beings, may be dissolved.

A somewhat similar farm-medical tie-up comes to light with the growing popularity of the Stader splint in the United States.

This is a rigid metal brace which holds a fractured bone firmly together at the same time permitting almost immediate normal use of the limb. Remarkable stories are told of sailors and soldiers leaving the hospital under their own steam a day or two after breaking a leg.

Credit for the achievement goes to a Dr. Otto Stader, a veterinarian who, trying to save a valuable horse with a broken leg, hit upon the idea of a metal splint riveted above and below the fracture. Previous to this discovery practically every horse or indeed almost any other domestic animal, suffering a broken leg, had to be destroyed.

Cases like this serve to show the importance of continually operating clearing houses between all branches of research. On more than one occasion something discovered in the farm field has had beneficial repercussions elsewhere, and vice versa.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 241

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1943. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the first day of February, 1943, to shareholders of record of the 15th January, 1943.

By Order of the Board,

ROBERT RAE,
General Manager.

Toronto, 10th December, 1942.

Mill City Petroleums Limited

301 Lancaster Building
Calgary, Alberta

Notice is hereby given that a dividend of three cents (3c) per share has been declared, payable on January 29th, 1943, to shareholders of record at the close of business January 8th, 1943.

The share transfer books of the Company will be closed from January 9th to January 29th, 1943, inclusive.

By Order of the Board,

WM. KEMP,
Secretary.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED payable January 2nd, 1943, to Shareholders of record at close of business December 15th, 1942.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ontario.

PAYMASTER CONSOLIDATED MINES, LIMITED

(No Personal Liability)

INTERIM DIVIDEND NO. 6

NOTICE is hereby given that an interim dividend of ONE CENT per share on the issued capital stock of the Company will be paid on January 15th, 1943, to shareholders of record at the close of business on December 31st, 1942.

By Order of the Board.

E. L. O'REILLY,
Secretary.

Toronto, December 18th, 1942.

Find Staggered Hours Ease Toronto Transit Troubles

Staggered hours for 35,000 Toronto workers is proving remarkably effective in lightening the load on the city's transit facilities, the Toronto Transportation Commission reports.

A traffic count just completed has been compared with an average week in February last, before staggered hours were in effect. These figures show that during the morning inbound rush there was an increase of 25.2% in street car passenger traffic entering the downtown area during the three hour period, yet the traffic during the maximum half-hour peak was only increased 1.2%.

Evening Better

Record for the evening rush was even better. Traffic during the three hour evening rush period was 23.4% heavier than in February, but the maximum evening hour increased by only 0.6%.

As a result of staggered hours, the street car passenger loads in the half-hour periods immediately before and after the rush hour peak increased by over 70% in some cases. Despite these heavy increases, the total passengers carried at these times was still well below the loads moved during the maximum peaks.

Expressed simply, Toronto street cars are now carrying almost 125 passengers to and from work in the downtown area for every 100 that they carried before staggered hours. Yet at the most congested peaks there is only one more passenger in each hundred for whom to find room.

Gatineau Power Co.'s stock subscription rights expire on Dec. 30 next. These rights are attached to the 5% debentures and entitle the holder to purchase 10 shares of common stock at $10 a share for each $1,000 par value of debentures held. Money received from the sale of stock is applied to redemption of the debentures.

Melchers Distilleries Ltd. report that the date of cancellation and termination of the warrants for fractional preferred and common shares of the company has been extended to Dec. 31, 1943.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.05	$10.75	$8.85
Hogs	16.65	16.55	14.91
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2057	.2045	.1808
Sugar, raw, lb.	*.0374	.0374	.0350
Wheat, Man. (bu.)	.90½	.90⅝	.73¼
Coffee, lb.	*.09⅝	.09⅝	.09⅛
Hides	*.13½	.15½	.15⅛
Weekly Indices			
U. S. Labor	100.1	100.1	92.2
Dow Jones (fut.)	87.32	86.27	83.65
Wood, Gundy	78.8	78.8	75.0
Fishers	108.5	108.5	99.2
Monthly Indices			
Canada (D.B.S.)†:			
Retail (Nov.)	118.6	117.8	116.3
W'sale (Nov.)	97.1	96.8	94.0
U. S. (Oct.)	100.0	99.6	92.4
Gt. Brit. (Sept.)	159.7	159.9	154.3

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

The Year's Achievement

(Continued from page 13)

materials is invested in special steel capacity, soon over 500,000 tons against a peacetime capacity of 15,000 tons. Other new raw materials are the vitally significant additions to aluminum and magnesium capacity, the light metals that may revolutionize industry.

If these and other new materials were being separately handled, isolated in a war economy utterly separate from peacetime industry, the effects of the new expansion might vanish with the war. But the new materials have been absorbed into the bloodstream of normal industry, modified to the needs of war. As such, the shift to war has already altered the structure and technique of normal industry.

Priorities Clearing

Side by side with the growing diversion of industry to war production that has culminated in 1942 have gone the administrative problems of making the diversion fully effective. Chief of these have been the questions of adjusting priorities.

To an increasing extent Canada finds herself required to follow the lead of the United States in the matter of priorities, a condition reflecting the growing integration of the economies of the two countries with the single object of winning the war. Thus the close of 1942 finds Canadian priority officials grappling with the application of the Controlled Materials Plan devised in Washington to Canadian industry.

The Controlled Materials Plan (CMP) is to replace the Production Requirements Plan which had a short life, starting early in 1942 and is now scheduled to disappear finally on July 1 next. After six months of effort, PRP finally succeeded in pulling priority ratings down to a level corresponding with the probable amount of materials to be available, but it failed to grapple with the accompanying problem of economical use of these materials.

Thus CMP has been devised by priority experts at Washington to give strict control to three vital materials — Steel, Copper and Aluminum. Those responsible for it hope it will be able to continue control of the problem of keeping allocations of materials down to the amounts expected to be available while coping successfully with the other problem of making certain that these allocated materials go where they are needed most. It is expected that it will assure that schedules of production for war and civilian materials will be matched with corresponding schedules for the required number of individual parts and of related pieces of equipment, something which PRP sometimes failed to provide.

For Canada, this new plan is important for at least two reasons. One of these, the efficient integration of the two economies to win the war, has already been mentioned. The other arises out of the first and takes account of the fact that Canada gets a lot of its steel from the U. S. while supplying that country with copper and aluminum.

At the same time Canadian factories are furnishing war equipment in excess of the needs of our own armed forces, thus providing a substantial contribution to the United Nations pool. Right now Canada's priorities officials are working on a programme which can adapt CMP to Canada's type of war organization, keeping the obvious advantages of each. When this job is completed, our manufacturers will know exactly what they must do to secure the materials needed and will have good assurance their orders will carry with them allocations of materials sufficient to fill the orders.

Wheat Prices

Winnipeg Grain Futures

Week of Dec. 21, 1942

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Dec. 21
		Wheat			
.91¼	.90	Dec.	.90	.90	.90
.94	.93½	May	.93¾	.93½	.93½
		Oats			
.48⅞	.43	Dec.	.45½	.45	.45½
.48¼	.45⅝	May	.48¼	.47⅝	.48⅛
.48⅞	.47⅝	July	.48⅜	.47⅞	.48⅜
		Barley			
.61⅛	.60	Dec.	.60	.60	.60
.63¼	.60¾	May	.63	.62¾	.63
		Rye			
.64½	.53¾	Dec.	.64½	.62¾	.64
.66⅝	.56¾	May	.66⅝	.64¾	.66
.66⅛	.65	July	.66½	.65	.65

Cash Quotations

	For Week Dec. 21 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	.90⅝	.90¼	.90⅝	.90⅝
2 Nor.	.87	.87	.87	.87
3 Nor.	.83⅝	.83⅝	.84	.83⅝
4 Nor.	.81⅝	.81¼	.82	.81¼
5 Wheat	.78¼	.78	.78	.77½
6 Wheat	.76¼	.76	.76	.76
Feed	.75¼	.75	.75	.75
Oats				
2 C. W.	.45½	.45	.45	.45
3 C. W.	.43	.42	.42	.42
Barley:				
1 Feed	.56⅝	.56	.56	.56
2 Feed	.51½	.55	.54¾	.5
Rye:				
2 C. W.	.64⅛	.62¾	.64½	

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Are You Paying Too Little or Too Much?

What is the Proper Tax For Your Business to Pay?

To answer the questions involved in today's complicated tax setup, Molyneux L. Gordon, K.C., Toronto, has written this new and authoritative series of articles for The Financial Post.

Mr. Gordon has specialized on tax questions, and is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the De[illegible]tional Revenue, Ottawa, 1939 with one sup[illegible] and another to appear next April. Mr. Gordon is also the author of, "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942." Any of these works may be obtained on application to The Financial Post, Toronto.

When Are Bad Debts Deductible?

ARTICLE NUMBER FOURTEEN

By MOLYNEUX L. GORDON

The English Income Tax Act, passed in 1799, made no reference to bad debts. This probably was due to the fact that, if people kept accounts at all, they did so on a cash basis and bad debts are not included in a cash statement.

The English Income Tax Act passed in 1806 mentioned bad debts and forbade the deduction of any debts except such as shall be proved to the satisfaction of the commissioners to be "irrecoverable and desperate."[1]

There has been a good deal of discussion as to whether a loss due to the non-payment of a bad debt arises at the time the goods are sold or when the creditor comes to the conclusion that the debt is bad.

Date of Loss

If you sell an automobile and the man who buys it fails to pay, it seems reasonable to hold that the loss must have occurred when you delivered the car and not at some subsequent date when you formed the opinion that the purchaser could not be compelled to pay.

The Privy Council held in a case from Jamaica[2] that a bad debt could only be deducted from the profits of the year in which the goods were sold and pointed out that, if the debt was collected afterwards, it was not a profit earned in the year in which it was collected and consequently was not subject to tax.

It has frequently been stated that it is not correct to allow a percentage as a reserve against bad debts and that each debt must be valued separately.[3]

Canada's Policy

In Canada the Minister has discretion to permit an allowance for bad debts.[4] Fortunately, the Department of National Revenue has discarded the old practice and adopted a much more reasonable attitude by permitting the taxpayer to set up a reserve for bad debts on a percentage basis, subject to two conditions: (1) that the bad debt should have been incurred subsequent to the year 1917; and (2) if the bad debt or any portion of it is collected the taxpayer must include the amount received as part of his profits in the year in which the debt is collected.

If you are able to collect a bad debt which was incurred and written off prior to 1917 it is not necessary to include the same as part of your income in a subsequent year.

E.P.T. and Bad Debts

If you have been allowed to set up an abnormal reserve for bad debts prior to 1939 and have collected more than you expected you might be able to argue very strongly that the whole of this amount should not be included as part of your profits in a later year and liable for taxation under The Excess Profits Tax Act because when you come to analyze the matter the goods which were represented by these debts were sold prior to 1939. At the time you made up your tax statements, collection seemed improbable and, consequently, you were permitted in that year to deduct from your profits the expected loss. Later on you collect these debts. The moneys received are not a profit of the year in which payment is received but are a profit of the year in which the goods were sold.

No taxpayer will be permitted either to reduce an abnormal profit by setting up an excessive reserve for bad debts or to equalize his income by postponing the writing off of doubtful accounts. Any excessive reserve for bad debts will be promptly disallowed and if you fail to set up a proper allowance when you know that your debts are bad it is probable that you will not be allowed to deduct the same in a subsequent year.

When is a Debt Bad

The question as to when a debt becomes bad is a question of fact[5] and the debt is not necessarily bad because it is barred by the Statute of Limitations, because if the debtor is an honest man he ought to pay off the debt as soon as he is in a position to do so.

In an Indian case where important litigation in regard to a bankrupt estate was taken to the Privy Council, it was held that[6] the debt did not become bad until this litigation was determined.

In order to render a bad debt deductible, it must have been incurred in the business.[7] If you are good enough to assist any of your business associates, friends or relatives by loaning money and they fail to repay, you cannot deduct the loans because the loss was not made for the purpose of earning profits.

There is nothing to prevent you from dealing with your friends and relatives, but if you should sell your wife's cousin any goods you are entitled to sue him if he has the money and is unwilling to pay; but if you do not collect the debt for family reasons you cannot expect the Department of National Revenue to permit you to save tax by deducting the amount from your profits.

When Business Sold

If a business is sold, the buyer cannot deduct any loss in the collection of book debts which are included in the sale[8] because they were not created for the purpose of earning the profits of the buyer but in the business of the seller.

If a business debt is secured by a mortgage and the mortgage is foreclosed, the creditor is entitled to value the property at the date of foreclosure and deduct any loss. If the property is bought in by the creditor at a court sale the amount paid is usually considered as the market value.[9]

In Case of Bankruptcy

In case of bankruptcy, each creditor is entitled to apply all payments received on account first in payment of the principal before any sum is credited to interest.[10] Consequently, if you are a debentureholder it is very unwise to accept a compromise which provides for the issue of interest-bearing securities for a reduced amount because the interest on these securities is taxable. It is advisable to insist that any payments which the company is able to make should be credited to a sinking fund and divided as capital. If, for instance, a company has issued bonds of a par value of $2 millions and it proposes a plan of reorganization under which the original bonds should be cancelled and new bonds be distributed for half that amount, bearing interest at 4%, the creditors who receive these bonds will have an aggregate income of $40,000 per annum which will be subject to tax.

The creditors would do much better if they insisted that the original bonds should not be interfered with, agreed to waive interest for 25 years and obtained an obligation from the company to pay $40,000 per annum to a sinking fund. In this way the creditors would receive exactly the same payments at exactly the same times as under the original arrangement. At the end of 25 years the bonds would be reduced to $1 million, which is the amount originally suggested by the company, but in the meantime the creditors would have saved the tax on interest payments amounting to $1 million.

REFERENCES

(1) 46 Georgii III (1806) U.K., cap. LXV, Sched. D. Rules. 3rd; (2) Gleaner Co. v. Assessment Committee (1922) 2 A.C. 169; (3) In re A.B. (1918) 14 Tax L.R. 63; (4) Income War Tax Act, s. 6 (d); (5) Commissioner v. Chitnavis (1932) 59 Indian App. 290; (6) Alagananda Mudaliar v. Commissioner (1940) 8 I.T.R. 69; (7) Prag Narain v. Commissioner (1932) 6 I.T.C. 110; (8) Easons Ltd. v. Commissioner (1932) 2 A.T.D. 211; (9) Income Tax Case No. 297 (1934) 8 S.A.T.C. 53; (10) Smith v. Law Guarantee (1904) 2 Ch. 569.

Your Investments

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Shawinigan

What are some of the most important factors affecting the stock of Shawinigan Water & Power Co.?

Shawinigan Water & Power Co.'s operations have undergone marked expansion since the outbreak of war. Power sales now are at a record level, while the dollar income for the current year will probably run around $25 millions, far above any figure ever reported in the prewar period. Heavy taxation has tended to keep down the net profit, though the current dividend of 90 cents a share is being covered by a comfortable margin.

While the company is basically a power operator, it has gradually but persistently expanded its interest in the electro-chemical field. Shawinigan is one of the largest electro-chemical operators in Canada and the United States. It has spent large sums of money in developing various chemical products, particularly resins. Though the subsidiary, Shawinigan Chemicals Ltd., has contributed little or nothing to earnings of the parent company, the time is not far off when this unit may become an important source of revenue.

Consolidated Paper

Would you be kind enough to give your views on the outlook for Consolidated Paper bonds. Do you think interest payments can be maintained?

Consolidated Paper bonds at the current level of 60½-62½ yield about 10%. Financially this company has worked itself into a strong position. Large bank loans have been liquidated, and between 1936 and 1941 working capital has improved nearly $17.5 millions. Earnings available on the bonds also have improved. While the outlook for the newsprint industry is somewhat indefinite, it is felt that with the volume of business available the company will be able to maintain interest.

Refundable Tax

I am told that the refundable portion of the excess profits tax should be treated as present income and not deducted from income as an expense. Will you give me your opinion?

There does not appear to be complete agreement among chartered accountants as to how to treat the refundable portion of excess profits tax in making up income statements for their clients. In some cases, reports have shown the refundable portion as a deduction from the gross amount of the tax, thus, in effect, including it as income of the current year. Other companies have deducted the gross amount of the tax and then shown the refundable portion as a kind of deferred asset on the balance sheet.

Certainly, for purposes of a current year, it would appear that the gross tax, including the refundable portion, is an expense as it represents cash which has to be paid out to the government. It is true that it will come back at some future date but for purposes of measuring dividend coverage, for example, The Financial Post prefers to regard the refundable portion as merely a part of the tax and not as something available for immediate use.

Massey-Harris

What does the outlook appear to be for Massey-Harris Co.?

For next year Massey-Harris Co. production of farm implements will be limited to around 25% of the amount it made in 1940, due to shortages of material. Its war output, on the other hand, continues to rise and it appears likely that sales in the year which ended Nov. 30 last will show the greatest total volume in the company's history.

There is no indication as to what earnings were for the year but it is probable that they compared reasonably well with those of the previous year when 71 cents a share was earned on the new common stock. Postwar position of this company would probably be relatively favorable with a substantial pent-up demand for farm implements in existence due to restricted sales.

It is hard to say what might happen to its export sales, a field which normally takes about one third of the company's total production of farm implements.

Brazilian Traction

How do you view the current situation for Brazilian Traction?

Brazilian Traction, Light & Power Co. operations in 1941 showed the best results since 1930 and interim reports for the first ten months of this year show further improvements with net earnings up 8.23% over last year.

It is difficult to suggest at this time what the effect of Brazil's entrance into the war will have on operations. We can assume that the effect will be somewhat similar to that in Canada, and continued growth in operations can be expected. Offsetting this may be higher taxation to finance the growing war effort.

Chief difficulty which Brazilian Traction has met in recent years has been in securing foreign exchange with which to transmit its earnings out of Brazil and have them available for payment to shareholders. Some betterment has taken place in the past year or two. This has shown in the resumption of dividends which for 1942 will total $1 a share. Dividend payments have been irregular.

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Whom Shall I Appoint?

Consultations and correspondence invited

The administration of an estate is no easy task nowadays. When the burden is placed on the shoulders of an individual, it demands time and care that few men can willingly spare from their own business. A corporate trustee, organized for the work and with wide experience in the administration of Estates and Trusts, is the logical answer to your question, "Whom shall I appoint as my Executor and Trustee?"

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Your Income Tax

In this weekly column, The Financial Post answers problems you may have in connection with your business or personal income tax. In some cases, where official ruling has yet to be made, The Post can only cite informed opinion.

Redated Policy

I have a life insurance policy which has been in force some years. There is a loan against this policy and I have been wanting to get it redated. If I get this done, will I be allowed to deduct the premium from my compulsory savings?

If the new effective date of issue is prior to June 23, 1942, the policy will be treated as a changed policy and the policyholder accordingly may deduct the premium on the redated policy up to the amount of the premium on the original policy. If there is any balance, one half of this may be deducted from compulsory savings as in the case of a new policy. If the new effective date of the policy is June 23, 1942, or after, it is subject to the same rules as a policy, coming into force on and after that date. That is, half the premium is deductible up to $100.

Insurance Premiums

I have a substantial amount of life insurance and have made claim for allowance of the premiums against my compulsory savings. Will it be necessary for me to get duplicate receipts from the life insurance company to back up my claim?

Premium receipts will not be accepted when claiming offsets for compulsory savings because they would not necessarily show dividends received, loans, etc. which have to be deducted from the premium. Accordingly, on the income tax return forms, space will be provided where in tabular form you can give details of your claim. These will show the name of the company, policy number, name of policyholder, gross premium paid, dividends paid, loans, etc. On policies taken out after June 23, 1942, the taxpayer will be asked to tell the plan of insurance and the age of the person insured. This information will facilitate checking and verifying by tax authorities.

Wife's Charities

The income of a married woman all from investments is a little over $700 a year. The principal is from a legacy she received and no part of the income is furnished by her husband. Out of the total she gives 10% to charity leaving a net income of $630. Would she be free of income tax and would the husband get the allowance of a married man as regards paying his own income tax?

The wife would not be taxable as her income, after the deducting of donations to charity, would be under $660. The husband, it is understood, would be entitled to the allowances given a married man.

Maintains Housekeeper

What is the status for income tax of a widower who maintains a house and employs a full time housekeeper therein? Does he get any allowance for the housekeeper?

No, he is not allowed to claim allowance for the housekeeper unless she is related to him by blood, marriage or adoption. In that case he may claim the allowance of $150 as a married man. The only other exception is in the case of an unmarried clergyman in charge of a diocese, parish or congregation who maintains a self contained domestic establishment and employs therein on full time a housekeeper or servant.

SAVE TO WIN

To meet the demands of war we must divert expenditure from unnecessary things and *save*. Open a Savings Account with us, and put your savings on a systematic basis. Save according to plan and have the money ready when the government calls for it. This Corporation has been doing business in Canada since 1855.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

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What Happened to Mr. Bixby?

The Story of a Man Who Stopped Advertising

The need for adequate and intelligent advertising, "both to help win the war and to help Canada come out of the war as a going concern," is stressed in a brochure issued by E. B. Eddy Co. Called "Bixby's Dilemma," this presents the fable of Bixby, the businessman who switched from peace to war production, discontinued his advertising, found, when peace came again, that his name had been forgotten and there was no market for his goods.

While the pathetic Bixby is fictional, the brochure observes that his story is based on 17 actual case histories of sudden business decline. An outline of five of these is given.

One is that of a padlock manufacturer. Before the last war he had 60% of the padlock business. Switching with the outbreak of war to government work, he neglected padlock selling and advertising while his chief competitor went on selling his (the competitor's) trademark. After the war the padlock manufacturer was unable to get his business back, finally sold out to Yale & Towne Manufacturing Co.

The second case is that of a manufacturer who, before the last war, produced 90% of all truck axles sold in the United States. With a big backlog of orders, he stopped advertising. The Timken people had, at that time, a comparatively small part of the truck axle volume, but they wanted the business and went after it in an aggressive way throughout the war. When the war was over, the axle manufacturer found his share of the business had dwindled to 10%, tried to needle sales with a brief advertising campaign, failed to recapture his position, had to sell out.

Case three is that of a manufacturer of roller bearings whose firm came into existence in 1908. When the founder retired in 1918, new management stopped advertising. From then on sales decreased, and the line disappeared from the market in 1925.

Fourth example is the case of a roofing manufacturer who, with a big volume of government orders, stopped advertising in the last war, although his competitors continued advertising. He failed to get his business back afterwards, and where he had once employed 200 his staff fell to one salesman, four shop workers and two of an office staff.

Last case is that of a manufacturer of stokers and grates, whose business was established in 1880. A strong advertising and sales policy was followed up to 1920, when a new chief executive took over. This executive stopped advertising. A rapid decline in sales volume followed and in 1940 the firm went into receivership.

Royal Windsor Does Better

Royal Windsor Apts., Windsor, had 1941 gross revenue of $32,744 as compared with $31,568 in 1940, the possible annual gross rental income of $32,400 being exceeded due to the collection of some arrears. Before bond interest, depreciation, management or legal expenses, net revenue for the year was $16,129, up $6,728 over 1940. Bond interest totalling $19,400 was paid.

Outstanding bonds amount to $340,750, wholly in default as to interest due May 25, 1931, and subsequent. Barring anything unforeseen, it is hoped the May 25, 1931, coupon will be paid next May.

Huron & Erie Mortgage Corp. announces that William G. Sanham, accountant at the Market Square branch in London, has been promoted to a similar position at Toronto. Mr. Sanham joined the staff in 1922.

New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

HOUSEHOLD DRUG PRODUCTS. W.P.T.B. order A-501, Dec. 9. After Jan. 31, restrictions are imposed on the sizes of containers in which household drug products may be packaged. Adm. of Pharmaceuticals, W. M. Grant.

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LIGHTING WITH OIL. M. & S. order Oil 17, Nov. 27. No person may use any petroleum product in power shortage areas to light signs, show windows, etc. Oil Con., G. R. Cottrelle.

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LUMBER. M. & S. order Timber 9-A, December 1, revises price schedules for certain varieties of lumber in some areas of Canada. Timber Con., A. H. Williamson.

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RUBBER ADVISORY COMMITTEE. M. & S. order Rubber 1, Dec. 2, provides for re-establishment of the Rubber Advisory Committee, and names the members. Rubber Con., A. H. Williamson.

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SYNTHETIC RUBBER TECHNICAL ADVISORY COMMITTEE. M. & S. order Rubber 2, Dec. 2, provides for a re-establishment of the Synthetic Rubber Technical Advisory Committee, and names the members of the new body. Rubber Con., A. H. Williamson.

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SPECIFIED STEEL PRODUCTS FOR STRUCTURAL PURPOSES. M. & S. order S. C. 7 A, Dec. 7, revises S.C. 7. No person shall, without a permit in writing, use any specified steel production in making or altering any stationary structure. Sale and purchase of specified steel products are regulated. Steel Con. F. B. Kilbourne.

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CASHEW NUTS. W.P.T.B. order A-518, Dec. 12, fixes the maximum price at which an importer may sell shelled cashew nuts to wholesalers. Wholesale and retail maximum prices are also fixed. Foods Adm., J. G. Taggart.

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CHEMICAL NITROGEN. W.P.T.B. order A-[illegible]19, Dec. 18, prohibits the sale of fertilizer containing chemical nitrogen for use on any lawn, golf course, park, cemetery or roadside or in the non-commercial planting of trees, shrubs or flowers. Adm. of Fertilizers, G. S. Peart.

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POTTERY WARE. W.P.T.B. order A-521, Dec. 17. This schedules the types and sizes of pottery ware which may be made after Jan. 2. Co-ordinator of Sundry Items, L. E. Messinger.

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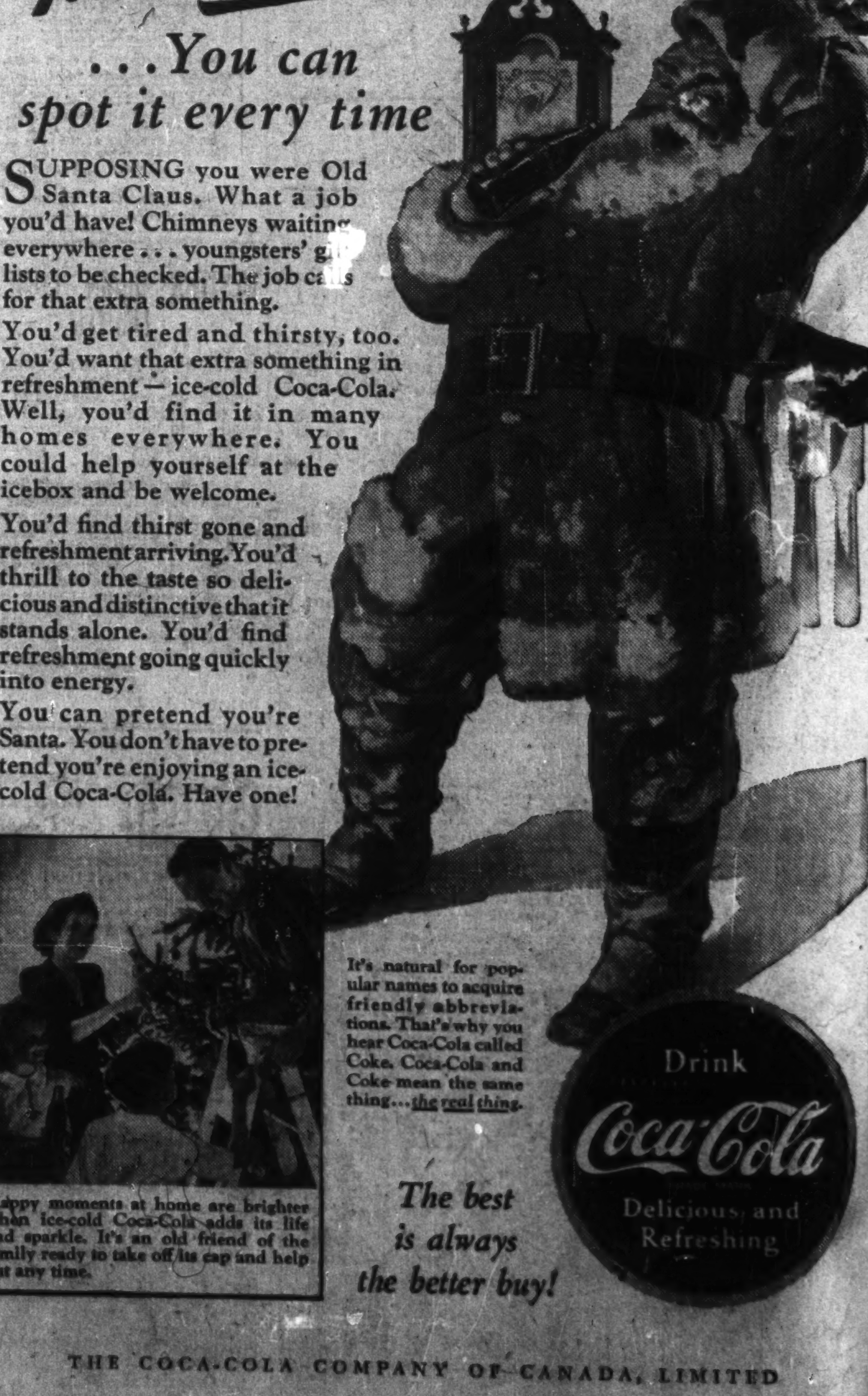
HEATING SPECIALTIES FOR HOT WATER AND HEATING SYSTEMS. W.P.T.B. order A-522, Dec. 17. No person shall manufacture or assemble any heating specialties for hot water heating systems unless such heating specialties are of the kind, model, type, quality and size which have been manufactured through the present year. All such specialties must conform to a schedule of specifications given in the order. Adm. of Heating and Plumbing, [illegible] Laidlaw.



That Extra Something!

. . . You can spot it every time

SUPPOSING you were Old Santa Claus. What a job you'd have! Chimneys waiting everywhere . . . youngsters' g[illegible] lists to be checked. The job ca[illegible]s for that extra something.

You'd get tired and thirsty, too. You'd want that extra something in refreshment — ice-cold Coca-Cola. Well, you'd find it in many homes everywhere. You could help yourself at the icebox and be welcome.

You'd find thirst gone and refreshment arriving. You'd thrill to the taste so delicious and distinctive that it stands alone. You'd find refreshment going quickly into energy.

You can pretend you're Santa. You don't have to pretend you're enjoying an ice-cold Coca-Cola. Have one!

Happy moments at home are brighter when ice-cold Coca-Cola adds its life and sparkle. It's an old friend of the family ready to take off its cap and help out any time.

It's natural for popular names to acquire friendly abbreviations. That's why you hear Coca-Cola called Coke. Coca-Cola and Coke mean the same thing... the real thing.

The best is always the better buy!

Drink Coca-Cola Delicious and Refreshing

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